This Public Bill originated in the Legislative Assembly, and, having this day passed, is now ready for presentation to the Legislative Council for its concurrence.

ALLAN PICKERING, Clerk of the Legislative Assembly.

Legislative Assembly Chamber, Sydney, 16 March, 1960.

New South Wales



ANNO NONO

ELIZABETHÆ II REGINÆ

Act No. , 1960.

An Act to make further provision in relation to the indemnification of building societies against loss; to provide that small loans societies formed under the Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts, shall be called credit unions; for these and other purposes to amend that Act, as so amended; and for purposes connected therewith.

BE

BE it enacted by the Queen'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 5 follows:—

- 1. (1) This Act may be cited as the "Co-operation Short title and citation.
- (2) The Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts and by 10 this Act, may be cited as the Co-operation Act, 1923-1960.
 - 2. (1) The Co-operation, Community Settlement, and Amendment Credit Act, 1923, as amended by subsequent Acts, is of Act No. 1, 1924.
- (a) by omitting from the long title the words "small Long loans societies" and by inserting in lieu thereof the title. words "credit unions";
 - (b) by omitting from the matter relating to Division 8 Sec. 2. of Part II in section two the words "Small loans (Division societies" and by inserting in lieu thereof the words into Parts.) "Credit unions";
 - (c) (i) by inserting in the definition of "Society" in Sec. 5. section five after the word "society" the words (Interpretation.)
- (ii) by omitting from the same definition the words "or union" and by inserting in lieu thereof the words ", or union of associations,";

- (d) (i) by inserting in subsection one of section six Sec. 6. after the word "union" where firstly and (Societies.) secondly occurring the words "of associations";
- (ii) by omitting paragraph (g) of the same subsection and by inserting in lieu thereof the following paragraph:
 - (g) a credit union;

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- (e) by omitting from subsection one of section 15A the Sec. 15A. words "small loans society" and by inserting in lieu (Additional objects and thereof the words "credit union"; powers.)
- (f) by omitting from paragraph (d) of section twenty Sec. 20. the words "small loans society" and by inserting in (Powers.) lieu thereof the words "credit unions";
 - (g) by omitting from the heading to Division 8 of Part Heading to II the words "Small loans societies" and by insert- Division 8 of Part II. ing in lieu thereof the words "Credit unions";
- (h) (i) by omitting from subsection one of section Sec. 29.

 twenty-nine the words "small loans society" (Objects.)

 and by inserting in lieu thereof the words
 "credit union";
 - (ii) by omitting from paragraph (g) of the same subsection the words "the members of the society" and by inserting in lieu thereof the words "its members";
 - (i) (i) by omitting from section thirty the word Sec. 30. "society" where firstly, secondly and thirdly (Powers.) occurring and by inserting in lieu thereof the words "credit union";
 - (ii) by omitting from paragraph (d) of the same section the words "small loans society" and by inserting in lieu thereof the words "credit union";
 - (j) (i) by omitting from subsection one of section Sec. 31.
 thirty-one the word "society" wherever occur- (Loans ring and by inserting in lieu thereof the words to members.)

 "credit union";
- 30 (ii) by omitting from subsection two of the same section the words "small loans society" and by inserting in lieu thereof the words "credit union";
- (iii) by omitting from the same subsection the word "society" where secondly and thirdly occurring and by inserting in lieu thereof the words "credit union";

(k)

- (k) by omitting from subsections one, three, five, six, Sec. 31A. seven, eight, nine, ten and eleven of section 31A the (Loans to word "society" wherever occurring and by inserting members.) in lieu thereof the words "credit union";
- 5 (1) (i) by omitting from subsection one of section Sec. 34.
 thirty-four the words "small loans society" and (Associaby inserting in lieu thereof the words "credit tion.)
 union";
 - (ii) by omitting from subsection three of the same section the words "small loans societies" and by inserting in lieu thereof the words "credit unions";

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- (m) by inserting in section thirty-six after the word Sec. 36.

 "union" wherever occurring the words "of associa- (Acquisition by association of shares in another association, union, etc.)
 - (n) by inserting in section thirty-seven after the word Sec. 37."union" wherever occurring the words "of associa- (Union.) tions";
- (o) by inserting in subsections eight and nine of section Sec. 39.

 thirty-nine after the word "union" wherever occur- (Formaring the words "of associations";
 - (p) by inserting in subsection six, and in paragraph (1) Sec. 46.
 of subsection nine, of section forty-six after the word (Members.)
 "union" wherever occurring the words "of associations";
 - (q) by inserting in subsection twelve of section forty-Sec. 47.seven after the word "union" the words "of associa- (Shares.) tions";
- (r) by inserting next after subsection (4A) of section Sec. 61.

 30 sixty-one the following new subsection:— (Use of word coword coyord operative.)

 trade or carry on business under any name or title
 of which the words "credit union" or any other
 words

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words importing a similar meaning are part or in any manner hold out that the trade or business is that of a credit union.

- (s) by omitting from subsection two of section sixty-six Sec. 66. the words "or a small loans society" and by inserting (Loans and in lieu thereof the words "society or a credit union"; deposits.)
- (t) (i) by omitting from subsection four of section Sec. 82. eighty-two the words "small loans society" and (Rules.) by inserting in lieu thereof the words "credit union":
 - (ii) by inserting at the end of the same subsection the words "or credit union";
- (u) by inserting in subparagraph (iii) of paragraph (b) Sec. 84.
 of subsection seven, and in paragraph (f) of sub- (Board of section eleven, of section eighty-four after the word directors.)
 "union" wherever occurring the words "of associations";
 - (v) (i) by inserting in paragraph (b) of subsection one Sec. 86.
 of section eighty-six after the word "union" (Votes of wherever occurring the words "of associa-members.) tions";
 - (ii) by omitting from subsection four of the same section the words "or a small loans society" and by inserting in lieu thereof the words "society or a credit union";
 - (iii) by omitting from paragraph (c) of subsection nine of the same section the words "small loans society" and by inserting in lieu thereof the words "credit union";
- 30 (w) by inserting in paragraph (a) of subsection three of Sec. 92. section ninety-two after the word "union" the words (Winding-up.)
- of section one hundred and two the words "or a (Restricsmall loans society" and by inserting in lieu thereof tions on the words "society or a credit union";

(y)

- (y) by inserting in subsections one and two of section Sec. 103. one hundred and three after the word "union" (Too few wherever occurring the words "of associations".
- (2) Any small loans society registered under the Co-5 operation Act, 1923-1958, at the commencement of this Act shall be deemed to be a credit union registered under that Act, as amended by this Act.
- 3. (1) The Co-operation, Community Settlement, and Further Credit Act, 1923, as amended by subsequent Acts, is further amendment of Act No. 1, 1924.
 - (a) by inserting at the end of paragraph (d) of subsec- Sec. 8. tion one of section eight the words "or against any (Powers.) prescribed products to be delivered to the society";
- (b) (i) by inserting at the end of subsection one of Sec. 16.

 15 section sixteen the following new paragraph: (Objects.)
 - (d) to make loans to its members upon the security of any tenure under the Crown Lands Consolidation Act, 1913, as amended by subsequent Acts, the Closer Settlement Acts or the Returned Soldiers Settlement Act, 1916, as amended by subsequent Acts.
 - (ii) by inserting next after subsection two of the same section the following new subsection:—
 - (2A) A building society shall not make any loan on the security of any tenure (not being a leasehold) referred to in paragraph (d) of subsection one of this section without the approval of the Co-operative Building Advisory Committee constituted under this Act.
 - (c) (i) by omitting from paragraph (c) of subsection Sec. 17A.

 (1A) of section 17A the words "two hundred may underand seventy-five pounds" and by inserting in take to lieu thereof the words "one hundred and sixty building pounds";

 building societies against loss

(ii) circumstances.)

in certain

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Co-operation (Amendment).

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- (ii) by omitting from the same paragraph the words "two thousand five hundred pounds" and by inserting in lieu thereof the words "three thousand and twenty-five pounds";
- (iii) by omitting from the same subsection the words "ninety per centum" wherever occurring and by inserting in lieu thereof the words "ninety-five per centum":
- (d) by omitting from subsection seven of section forty-Sec. 46.

 six the words "appoints any member to represent the (Members.) society in respect of a share held by it in any other society, the person" and by inserting in lieu thereof the words "or other corporate body appoints any member or person to represent it in respect of a share held in any society, the member or person";
 - (e) (i) by inserting at the end of subsection ten of Sec. 47.
 section forty-seven the following new para- (Shares.)
 graphs:—
 - (b) Where a member of any society specified in the Second Schedule to this Act, whose name includes the words "building society", holds shares in excess of the number permitted by or under this subsection, that member shall for every day during which the society carries on business be liable to a penalty not exceeding twenty-five pounds.
 - (c) Nothing in this subsection shall prevent a member, being a society, from holding, with the approval of the Advisory Council constituted under this Act, shares in another society in excess of the number of shares that it would, but for this paragraph, be permitted to hold by or under this subsection.
 - (ii) by inserting at the end of the same section the following new subsection:—
 - (18) (a) Subject to this subsection, the board of a society with limited liability may if authorised by the rules of the society declare to be

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be forfeited the shares of any member who has not for a period of three years had any dealings with the society and whose whereabouts are unknown to the board. Any such declaration shall have effect according to its tenor.

- (b) No share of a member of a society shall be forfeited under this subsection where the total amount paid to that society in respect of any shares held by that member exceeds fifty pounds.
- (c) The society shall not declare the shares of any member to be forfeited unless it has given, in a newspaper circulating in the district in which the registered office of the society is situated, at least one month's notice of its intention to do so.
- (d) Upon forfeiture of any shares under this subsection there shall become payable to the member whose shares are forfeited all moneys subscribed by the member in respect of the forfeited shares.
- (f) by inserting at the end of subsection four of section Sec. 61 sixty-one the following new paragraph:—

 (Use of word co-
 - (b) (i) The companies specified in the Fourth operative.) Schedule to this Act shall be exempt from the provisions of subsection one of this section.

This subparagraph shall cease to have effect with respect to any company so specified if the Governor, upon a report of the Advisory Council that the company is not in its opinion trading or carrying on business for the purpose of promoting the economic interests of its members substantially in accordance with co-operative principles, determines that the company shall not be exempt from the provisions of subsection one of this section and the registrar sends notice of that determination to the company.

(ii)

- (ii) At least sixty days before making any alteration to its memorandum or articles of association a company specified in the Fourth Schedule to this Act shall file with the registrar a copy of the proposed alteration.
- (g) by omitting subsection two of section sixty-five;

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Sec. 65. (Borrowing powers.)

- (h) by omitting from subsection (3A) of section sixty- Sec. 68. eight the words "the paid-up capital of the society" (Investand by inserting in lieu thereof the words "the sum of the paid-up capital of the society and any sums transferred to any reserve or to any reserve fund created out of any surplus referred to in section forty-eight or forty-nine of this Act";
- (i) by inserting next after subsection (2A) of section Sec. 76.

 seventy-six the following new subsection:— (Returns.)
 - (2B) A building society shall in respect of any loan approved or made by it furnish to the registrar in the prescribed manner and within the prescribed time such returns as may be prescribed.
- (j) by omitting from subsection one of section eighty Sec. 80. the words "entitled under the rules to vote as may (Special be present in person or by proxy, where the rules resolution.) allow proxies" and by inserting in lieu thereof the words "as, being entitled so to do, vote in person or, where proxies are allowed, by proxy";
 - (k) by omitting section eighty-one:

Sec. 81. (Model rules.)

- (i) by inserting in paragraph (j) of subsection two Sec. 82.
 of section eighty-two after the word "call" the (Rules.)
 words "or in the circumstances mentioned in
 paragraph (a) of subsection eighteen of section
 forty-seven of this Act";
 - (ii) by inserting in subsection eight of the same section after the word "exceeding" the words "where a sum is prescribed by the rules of the society, the sum so prescribed, or where there is no sum so prescribed, the sum of";

(m)

- (m) (i) by omitting from paragraph (i) of subsection Sec. 84.
 eleven of section eighty-four the words "if he (Board of has, except as provided in this section," and by inserting in lieu thereof the words "if, except as provided in this section, he has, or is a partner of, or in the employment of, or the employer of, any other person who has,";
- (ii) by inserting in subsection twelve of the same section after the word "director" where firstly occurring the words ", or other person referred to in that paragraph, as the case may be,";

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- (iii) by inserting in the same subsection after the word "director" where secondly, thirdly, fourthly and fifthly occurring the words ", or such other person,";
- (iv) by inserting in paragraphs (d) and (f) of the same subsection after the word "director" wherever occurring the words ", or any such other person,";
- (v) by inserting in paragraph (e) of the same subsection after the word "director's" the words ", or any such other person's,";
 - (vi) by inserting in subsection (12A) of the same section after the word "director" the words ", or other person referred to in that paragraph, as the case may be,";
 - (n) by inserting next after subsection seven of section Sec. 86. eighty-six the following new subsection:—

 (Votes of members.)
 - (7A) In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to an additional or casting vote.
- (o) by inserting in subsection three of section eighty- Sec. 88.
 eight after the word "officer" the words "or person (Officers.)
 employed by a society";

(p)

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- (p) by inserting next after subsection two of section one Sec. 101. hundred and one the following new subsection: — (Defaults by society.)
 - (2A) If a society is guilty of an offence under paragraph (d) of subsection one, or under subsection two, of this section, it shall, for every day after the offence is committed and until the notice, return or information, as the case may be, is transmitted or furnished, be liable to a penalty not exceeding five pounds.
- (q) by omitting from subsection three of section one Sec. 114. In hundred and fourteen the word "Governor" and by (Advisory Council.)
 - (r) by inserting at the end of subsection one of section Sec. 117.

 one hundred and seventeen the words "whether or (Inspection not it is in the course of being wound up and in the by registrar.) case of a society that is being wound up, any minutes, books, records or documents kept by the liquidator in respect of the society":
- (s) by omitting from the Third Schedule the words and Sch. 3. figures "Sections 18, 52 and 54" and by inserting in lieu thereof the words and figures "Section 18, subsection (10) of section 47; sections 52 and 54; subsection (3) of section 65";
- (t) by inserting next after the Third Schedule the follow- New Sch. 4. ing new Schedule:—

FOURTH SCHEDULE.

Companies exempt from section 61 (1).

The Farmers and Settlers Co-operative Insurance Company of Australia Limited.

30 The Farmers and Graziers' Co-operative Grain Insurance and Agency Company Limited.

The Producers and Citizens' Co-operative Assurance Company Limited.

(2) (a) The amendment made by paragraph (k) of 35 subsection one of this section shall commence upon a day to be appointed by the Governor and notified by proclamation in the Gazette.

(b)

- (b) Where immediately before the day appointed pursuant to paragraph (a) of this subsection, any model rule made under section eighty-one of the Co-operation Act, 1923-1958, formed or was deemed to form part of the rules of a 5 society, that model rule shall continue to form or to be deemed to form part of those rules and may be altered, added to or rescinded as if it were a rule of the society made under that Act, as amended by this Act.
- (3) Paragraph (b) of subsection ten of section forty-10 seven of the Co-operation Act, 1923-1960, as inserted by paragraph (e) of subsection one of this section, and the amendment made by paragraph (s) of that subsection shall commence upon the expiration of a period of three months from the date on which Her Majesty's assent to this Act is 15 signified.

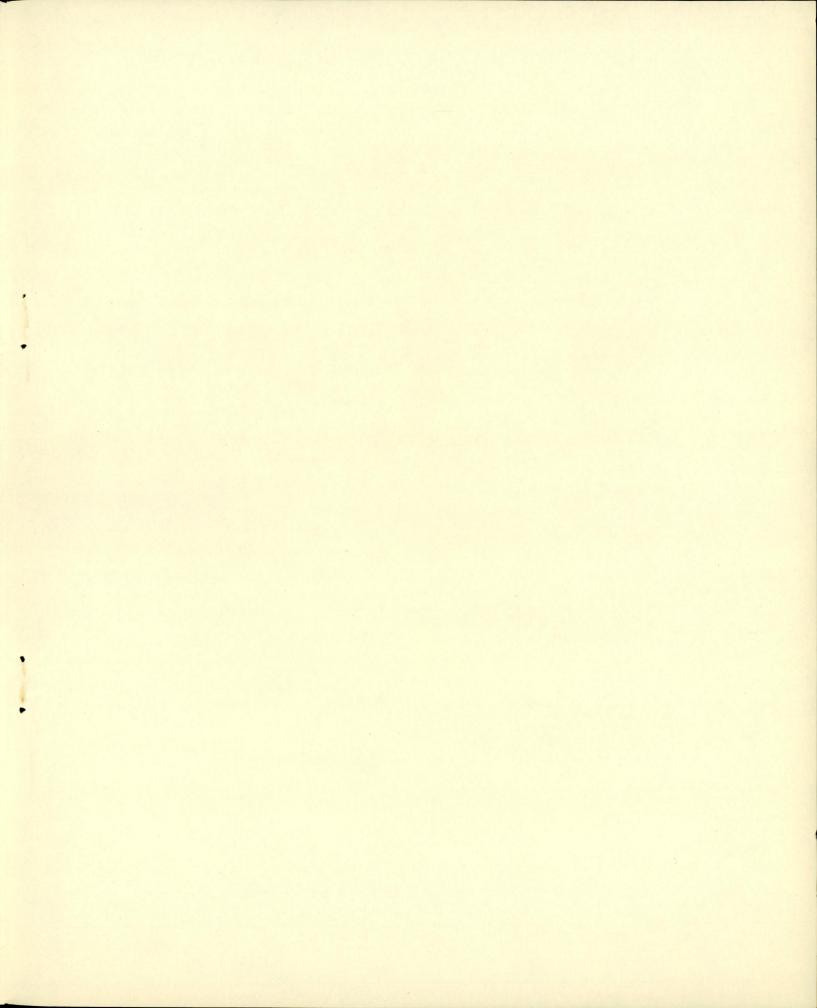
4. (1) This section shall apply to—

Variation of certain

- (a) every agreement which was entered into before the agreements. commencement of this Act, between a building society duly registered under the Co-operation, Community Settlement, and Credit Act, 1923, as 20 amended by subsequent Acts, and the Treasurer, and which is in force at such commencement, whereby in consideration of the execution by the Treasurer pursuant to the Government Guarantees Act, 1934-1948, of a guarantee in favour of the 25 bank society or body of persons mentioned in the agreement (which bank society or body of persons is in this section referred to as "the lender") the building society undertakes to observe the covenants, stipulations and conditions specified in the 30 agreement; and
 - (b) every agreement, being an equitable mortgage, which was entered into before the commencement of this Act between a building society duly registered as aforesaid and the Rural Bank of New South Wales (in this section referred to as "the lender") whereby

whereby in consideration of loans made by the said bank to the building society, the building society undertakes to observe the covenants, stipulations and conditions specified in the agreement.

- 5 In paragraph (a) of this subsection, "body of persons" includes the Government Insurance Office of New South Wales.
- (2) Notwithstanding anything contained in any agreement to which this section applies, the agreement shall not 10 operate to preclude the building society which is a party thereto from making, out of moneys borrowed by it from the lender, advances to a member of the society to the extent and in the circumstances contemplated by section 17A of the Co-operation Act, 1923-1958, as amended by this Act, and 15 authorised by the rules of the society.
- (3) Where any agreement referred to in paragraph (a) of subsection one of this section contains a covenant to the effect that the society that is a party to the agreement will not in any case out of money borrowed by it from the lender 20 advance to any one member of the society any greater amount than the amount specified in a notice in writing by the Treasurer to the society as the maximum amount which at the date of the advance is permitted to be advanced to any one member, nothing in that covenant shall preclude the society from advancing out of money borrowed by it from the lender to any one member of the society an amount which when reduced by the value of the share capital of the member or the sum of one hundred and sixty pounds, whichever is the less, does not exceed the sum of three thousand and twenty-five pounds.



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Act No. . TPRO.

The it concled by the Cheen's Most Formillary Majesty, by and with the advice and consent of the Legislative Connecil and Legislative Assembly of New South Wales in Fartument assembled, and by the authority of the same, as follows:---

(Amendment) Act, 1960", each constrainty Settlement, and

2. (1) The Co-pression, Community Sentement, and American

10 this Act, may be eited as the Co-operation Act, 1921-1960.

Credit Act, 1923, as amended by subsequent Acts. is of Act N amended—

and thems where No. 200, 1960. I mort quilling vd (a)

A BILL

To make further provision in relation to the indemnification of building societies against loss; to provide that small loans societies formed under the Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts, shall be called credit unions; for these and other purposes to amend that Act, as so amended; and for purposes connected therewith.

[Mr. Landa;—9 March, 1960.]

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B^E it enacted by the Queen'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 5 follows:—

- 1. (1) This Act may be cited as the "Co-operation Short title and citation.
- (2) The Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts and by 10 this Act, may be cited as the Co-operation Act, 1923-1960.
 - 2. (1) The Co-operation, Community Settlement, and Amendment Credit Act, 1923, as amended by subsequent Acts, is of Act No. amended—
- (a) by omitting from the long title the words "small Long loans societies" and by inserting in lieu thereof the title. words "credit unions";
 - (b) by omitting from the matter relating to Division 8 Sec. 2. of Part II in section two the words "Small loans (Division societies" and by inserting in lieu thereof the words into Parts.) "Credit unions";
 - (c) (i) by inserting in the definition of "Society" in Sec. 5. section five after the word "society" the words (Interpretation.)
- (ii) by omitting from the same definition the words "or union" and by inserting in lieu thereof the words ", or union of associations,";

- (d) (i) by inserting in subsection one of section six Sec. 6. after the word "union" where firstly and (Societies.) secondly occurring the words "of associations";
- 30 (ii) by omitting paragraph (g) of the same subsection and by inserting in lieu thereof the following paragraph:—
 - (g) a credit union;

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- (e) by omitting from subsection one of section 15A the Sec. 15A.
 words "small loans society" and by inserting in lieu (Additional objects and thereof the words "credit union"; powers.)
- (f) by omitting from paragraph (d) of section twenty Sec. 20. the words "small loans society" and by inserting in (Powers.) lieu thereof the words "credit unions";
 - (g) by omitting from the heading to Division 8 of Part Heading to II the words "Small loans societies" and by insert- Division 8 of Part II. ing in lieu thereof the words "Credit unions";
- 10 (h) (i) by omitting from subsection one of section Sec. 29.
 twenty-nine the words "small loans society" (Objects.)
 and by inserting in lieu thereof the words
 "credit union";
 - (ii) by omitting from paragraph (g) of the same subsection the words "the members of the society" and by inserting in lieu thereof the words "its members";
 - (i) (i) by omitting from section thirty the word Sec. 30.

 "society" where firstly, secondly and thirdly (Powers.)

 occurring and by inserting in lieu thereof the

 words "credit union";
 - (ii) by omitting from paragraph (d) of the same section the words "small loans society" and by inserting in lieu thereof the words "credit union";
 - (j) (i) by omitting from subsection one of section Sec. 31.

 thirty-one the word "society" wherever occur- (Loans ring and by inserting in lieu thereof the words to members.)

 "credit union";
- 30 (ii) by omitting from subsection two of the same section the words "small loans society" and by inserting in lieu thereof the words "credit union";
- 35 (iii) by omitting from the same subsection the word "society" where secondly and thirdly occurring and by inserting in lieu thereof the words "credit union";

(k)

- (k) by omitting from subsections one, three, five, six, Sec. 31A. seven, eight, nine, ten and eleven of section 31A the (Loans to word "society" wherever occurring and by inserting members.) in lieu thereof the words "credit union";
- (1) (i) by omitting from subsection one of section Sec. 34. thirty-four the words "small loans society" and (Associaby inserting in lieu thereof the words "credit tion.) union";
- (ii) by omitting from subsection three of the same section the words "small loans societies" and by inserting in lieu thereof the words "credit unions";
- (m) by inserting in section thirty-six after the word Sec. 36.

 "union" wherever occurring the words "of association by association of shares in another association, union, etc.)
 - (n) by inserting in section thirty-seven after the word Sec. 37. "union" wherever occurring the words "of associa- (Union.) tions";
- (0) by inserting in subsections eight and nine of section Sec. 39.
 thirty-nine after the word "union" wherever occur- (Formaring the words "of associations";

- (p) by inserting in subsection six, and in paragraph (1) sec. 46. of subsection nine, of section forty-six after the word (Members.) "union" wherever occurring the words "of associations";
- (q) by inserting in subsection twelve of section forty- Sec. 47. seven after the word "union" the words "of associa- (Shares.) tions";
- (r) by inserting next after subsection (4A) of section Sec. 61.

 sixty-one the following new subsection:

 (Use of word cooperative.)

 trade or carry on business under any name or title
 of which the words "credit union" or any other
 words

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words importing a similar meaning are part or in any manner hold out that the trade or business is that of a credit union.

- (s) by omitting from subsection two of section sixty-six Sec. 66. the words "or a small loans society" and by inserting (Loans and in lieu thereof the words "society or a credit union"; deposits.)
- (t) (i) by omitting from subsection four of section Sec. 82. eighty-two the words "small loans society" and (Rules.) by inserting in lieu thereof the words "credit union";
 - (ii) by inserting at the end of the same subsection the words "or credit union";
- (u) by inserting in subparagraph (iii) of paragraph (b) Sec. 84. of subsection seven, and in paragraph (f) of sub- (Board of section eleven, of section eighty-four after the word directors.) "union" wherever occurring the words "of associations";
- (v) (i) by inserting in paragraph (b) of subsection one Sec. 86.
 of section eighty-six after the word "union" (Votes of wherever occurring the words "of associa-members.," tions";
 - (ii) by omitting from subsection four of the same section the words "or a small loans society" and by inserting in lieu thereof the words "society or a credit union";
 - (iii) by omitting from paragraph (c) of subsection nine of the same section the words "small loans society" and by inserting in lieu thereof the words "credit union":
- 30 (w) by inserting in paragraph (a) of subsection three of Sec. 92. section ninety-two after the word "union" the words (Winding-up.)
- of section one hundred and two the words "or a (Restricsmall loans society" and by inserting in lieu thereof tions on the words "society or a credit union";

(y)

- (y) by inserting in subsections one and two of section Sec. 103. one hundred and three after the word "union" (Too few wherever occurring the words "of associations".
- (2) Any small loans society registered under the Co-5 operation Act, 1923-1958, at the commencement of this Act shall be deemed to be a credit union registered under that Act, as amended by this Act.
- 3. (1) The Co-operation, Community Settlement, and Further Credit Act, 1923, as amended by subsequent Acts, is further amendment of Act No. 10 amended-
 - (a) by inserting at the end of paragraph (d) of subsec-Sec. 8. tion one of section eight the words "or against any (Powers.) prescribed products to be delivered to the society";
- (b) (i) by inserting at the end of subsection one of Sec. 16. section sixteen the following new paragraph: __(Objects.) 15
 - (d) to make loans to its members upon the security of any tenure under the Crown Lands Consolidation Act, 1913, as amended by subsequent Acts, the Closer Settlement Acts or the Returned Soldiers Settlement Act, 1916, as amended by subsequent Acts.
 - (ii) by inserting next after subsection two of the same section the following new subsection: -
- (2A) A building society shall not make any 25 loan on the security of any tenure (not being a leasehold) referred to in paragraph (d) of subsection one of this section without the approval of the Co-operative Building Advisory Committee constituted under this Act. 30
 - (c) (i) by omitting from paragraph (c) of subsection Sec. 17A. (1A) of section 17A the words "two hundred (Treasurer and seventy-five pounds" and by inserting in take to lieu thereof the words "one hundred and sixty indemnify building pounds":

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circum-(ii) stances.)

- (ii) by omitting from the same paragraph the words "two thousand five hundred pounds" and by inserting in lieu thereof the words "three thousand and twenty-five pounds";
- (iii) by omitting from the same subsection the words "ninety per centum" wherever occurring and by inserting in lieu thereof the words "ninety-five per centum";
- (d) by omitting from subsection seven of section forty-Sec. 46.

 six the words "appoints any member to represent the (Members.)

 society in respect of a share held by it in any other
 society, the person" and by inserting in lieu thereof
 the words "or other corporate body appoints any
 member or person to represent it in respect of a
 share held in any society, the member or person";
 - (e) (i) by inserting at the end of subsection ten of Sec. 47.
 section forty-seven the following new para- (Shares.)
 graphs:—
 - (b) Where a member of any society specified in the Second Schedule to this Act, whose name includes the words "building society", holds shares in excess of the number permitted by or under this subsection, that member shall for every day during which the society carries on business be liable to a penalty not exceeding twenty-five pounds.
 - (c) Nothing in this subsection shall prevent a member, being a society, from holding, with the approval of the Advisory Council constituted under this Act, shares in another society in excess of the number of shares that it would, but for this paragraph, be permitted to hold by or under this subsection.
 - (ii) by inserting at the end of the same section the following new subsection:—
 - (18) (a) Subject to this subsection, the board of a society with limited liability may if authorised by the rules of the society declare to

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be forfeited the shares of any member who has not for a period of three years had any dealings with the society and whose whereabouts are unknown to the board. Any such declaration shall have effect according to its tenor.

- (b) No share of a member of a society shall be forfeited under this subsection where the total amount paid to that society in respect of any shares held by that member exceeds fifty pounds.
- (c) The society shall not declare the shares of any member to be forfeited unless it has given, in a newspaper circulating in the district in which the registered office of the society is situated, at least one month's notice of its intention to do so.
- n ion of Sec. 47. (d) Upon forfeiture of any shares under this subsection there shall become payable to the member whose shares are forfeited all moneys subscribed by the member in respect of the forfeited shares.
 - (f) by inserting at the end of subsection four of section Sec. 61 sixty-one the following new paragraph: -(Use of word co
 - operative.) (b) (i) The companies specified in the Fourth Schedule to this Act shall be exempt from the provisions of subsection one of this section.

This subparagraph shall cease to have effect with respect to any company so specified if the Governor, upon a report of the Advisory Council that the company is not in its opinion trading or carrying on business for the purpose of promoting the economic interests of its members substantially in accordance with co-operative principles, determines that the company shall not be exempt from the provisions of subsection one of this section and the registrar sends notice of that determination to the company.

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Co-operation (Amendment).

- (ii) At least sixty days before making any alteration to its memorandum or articles of association a company specified in the Fourth Schedule to this Act shall file with the registrar a copy of the proposed alteration.
- (g) by omitting subsection two of section sixty-five;

Sec. 65. (Borrowing

- (h) by omitting from subsection (3A) of section sixty- Sec. 68. eight the words "the paid-up capital of the society" (Investand by inserting in lieu thereof the words "the sum ment.) of the paid-up capital of the society and any sums transferred to any reserve or to any reserve fund created out of any surplus referred to in section forty-eight or forty-nine of this Act";
 - (i) by inserting next after subsection (2A) of section Sec. 76. seventy-six the following new subsection:— (Returns.)
 - (2B) A building society shall in respect of any loan approved or made by it furnish to the registrar in the prescribed manner and within the prescribed time such returns as may be prescribed.
- (i) by omitting from subsection one of section eighty Sec. 80. 20 the words "entitled under the rules to vote as may (Special be present in person or by proxy, where the rules resolution.) allow proxies" and by inserting in lieu thereof the words "as, being entitled so to do, vote in person or, where proxies are allowed, by proxy"; 25
 - (k) by omitting section eighty-one;

Sec. 81. (Model

- (1) (i) by inserting in paragraph (j) of subsection two Sec. 82. of section eighty-two after the word "call" the (Rules.) words "or in the circumstances mentioned in paragraph (a) of subsection eighteen of section forty-seven of this Act";
 - (ii) by inserting in subsection eight of the same section after the word "exceeding" the words "where a sum is prescribed by the rules of the society, the sum so prescribed, or where there is no sum so prescribed, the sum of";

(m)

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Co-operation (Amendment).

- (m) (i) by omitting from paragraph (i) of subsection Sec. 84. eleven of section eighty-four the words "if he (Board of has, except as provided in this section," and by inserting in lieu thereof the words "if, except as provided in this section, he has, or is a partner of, or in the employment of, or the employer of, any other person who has,";
 (ii) by inserting in subsection twelve of the same section after the word "director" where firstly occurring the words ", or other person referred to in that paragraph, as the case may be,";
 - (iii) by inserting in the same subsection after the word "director" where secondly, thirdly, fourthly and fifthly occurring the words ", or such other person,":
 - (iv) by inserting in paragraphs (d) and (f) of the same subsection after the word "director" wherever occurring the words ", or any such other person,";
- 20 (v) by inserting in paragraph (e) of the same subsection after the word "director's" the words ", or any such other person's,";

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- (vi) by inserting in subsection (12A) of the same section after the word "director" the words ", or other person referred to in that paragraph, as the case may be,";
 - (n) by inserting next after subsection seven of section Sec. 86. eighty-six the following new subsection:—

 (Votes of members)
- on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to an additional or casting vote.
- (o) by inserting in subsection three of section eighty-Sec. 88.
 eight after the word "officer" the words "or person (Officers.)
 employed by a society";

(p)

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- (p) by inserting next after subsection two of section one Sec. 101. hundred and one the following new subsection:— (Defaults by society.)
 - (2A) If a society is guilty of an offence under paragraph (d) of subsection one, or under subsection two, of this section, it shall, for every day after the offence is committed and until the notice, return or information, as the case may be, is transmitted or furnished, be liable to a penalty not exceeding five pounds.
- 10 (q) by omitting from subsection three of section one Sec. 114. 11 hundred and fourteen the word "Governor" and by (Advisory inserting in lieu thereof the word "Minister";
 - (r) by inserting at the end of subsection one of section Sec. 117.
 one hundred and seventeen the words "whether or (Inspection not it is in the course of being wound up and in the by registrar.)
 case of a society that is being wound up, any minutes, books, records or documents kept by the liquidator in respect of the society";
- (s) by omitting from the Third Schedule the words and sch. 3.

 figures "Sections 18, 52 and 54" and by inserting in lieu thereof the words and figures "Section 18, subsection (10) of section 47; sections 52 and 54; subsection (3) of section 65";
- (t) by inserting next after the Third Schedule the follow- New Sch. 4. ing new Schedule:—

FOURTH SCHEDULE.

Companies exempt from section 61 (1).

The Farmers and Settlers Co-operative Insurance Company of Australia Limited.

The Farmers and Graziers' Co-operative Grain Insurance and Agency Company Limited.

The Producers and Citizens' Co-operative Assurance Company Limited.

(2) (a) The amendment made by paragraph (k) of 35 subsection one of this section shall commence upon a day to be appointed by the Governor and notified by proclamation in the Gazette.

(b)

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Co-operation (Amendment).

- (b) Where immediately before the day appointed pursuant to paragraph (a) of this subsection, any model rule made under section eighty-one of the Co-operation Act, 1923-1958, formed or was deemed to form part of the rules of a society, that model rule shall continue to form or to be deemed to form part of those rules and may be altered, added to or rescinded as if it were a rule of the society made under that Act, as amended by this Act.
- (3) Paragraph (b) of subsection ten of section forty-10 seven of the Co-operation Act, 1923-1960, as inserted by paragraph (e) of subsection one of this section, and the amendment made by paragraph (s) of that subsection shall commence upon the expiration of a period of three months from the date on which Her Majesty's assent to this Act is 15 signified.

4. (1) This section shall apply to—

Variation of certain agreements.

- (a) every agreement which was entered into before the agreements. commencement of this Act, between a building society duly registered under the Co-operation, Community Settlement, and Credit Act, 1923, as 20 amended by subsequent Acts, and the Treasurer. and which is in force at such commencement, whereby in consideration of the execution by the Treasurer pursuant to the Government Guarantees 25 Act, 1934-1948, of a guarantee in favour of the bank society or body of persons mentioned in the agreement (which bank society or body of persons is in this section referred to as "the lender") the building society undertakes to observe the covenants, stipulations and conditions specified in the 30 agreement: and
- (b) every agreement, being an equitable mortgage, which was entered into before the commencement of this Act between a building society duly registered as aforesaid and the Rural Bank of New South Wales (in this section referred to as "the lender") whereby

whereby in consideration of loans made by the said bank to the building society, the building society undertakes to observe the covenants, stipulations and conditions specified in the agreement.

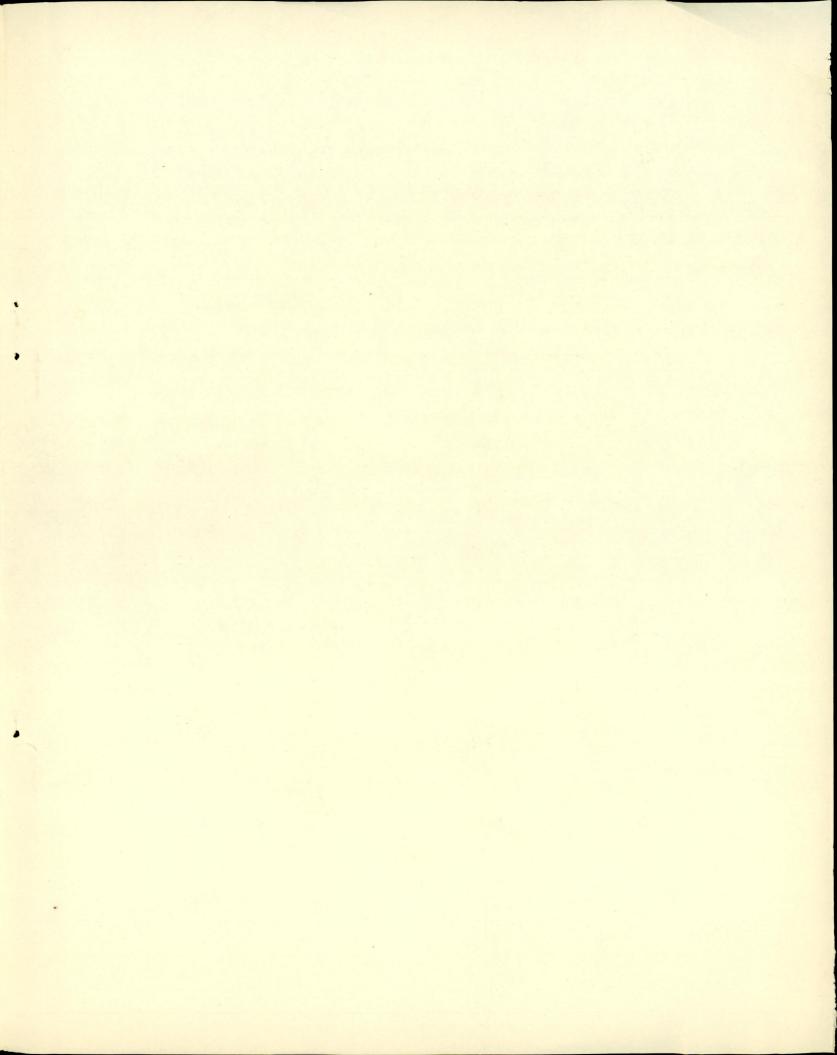
- 5 In paragraph (a) of this subsection, "body of persons" includes the Government Insurance Office of New South Wales.
- (2) Notwithstanding anything contained in any agreement to which this section applies, the agreement shall not 10 operate to preclude the building society which is a party thereto from making, out of moneys borrowed by it from the lender, advances to a member of the society to the extent and in the circumstances contemplated by section 17A of the Co-operation Act, 1923-1958, as amended by this Act, and 15 authorised by the rules of the society.
- (3) Where any agreement referred to in paragraph (a) of subsection one of this section contains a covenant to the effect that the society that is a party to the agreement will not in any case out of money borrowed by it from the lender 20 advance to any one member of the society any greater amount than the amount specified in a notice in writing by the Treasurer to the society as the maximum amount which at the date of the advance is permitted to be advanced to any one member, nothing in that covenant shall preclude the society from advancing out of money borrowed by it from the lender to any one member of the society an amount which when reduced by the value of the share capital of the member or the sum of one hundred and sixty pounds, whichever is the less, does not exceed the sum of three thousand and twenty-five pounds.

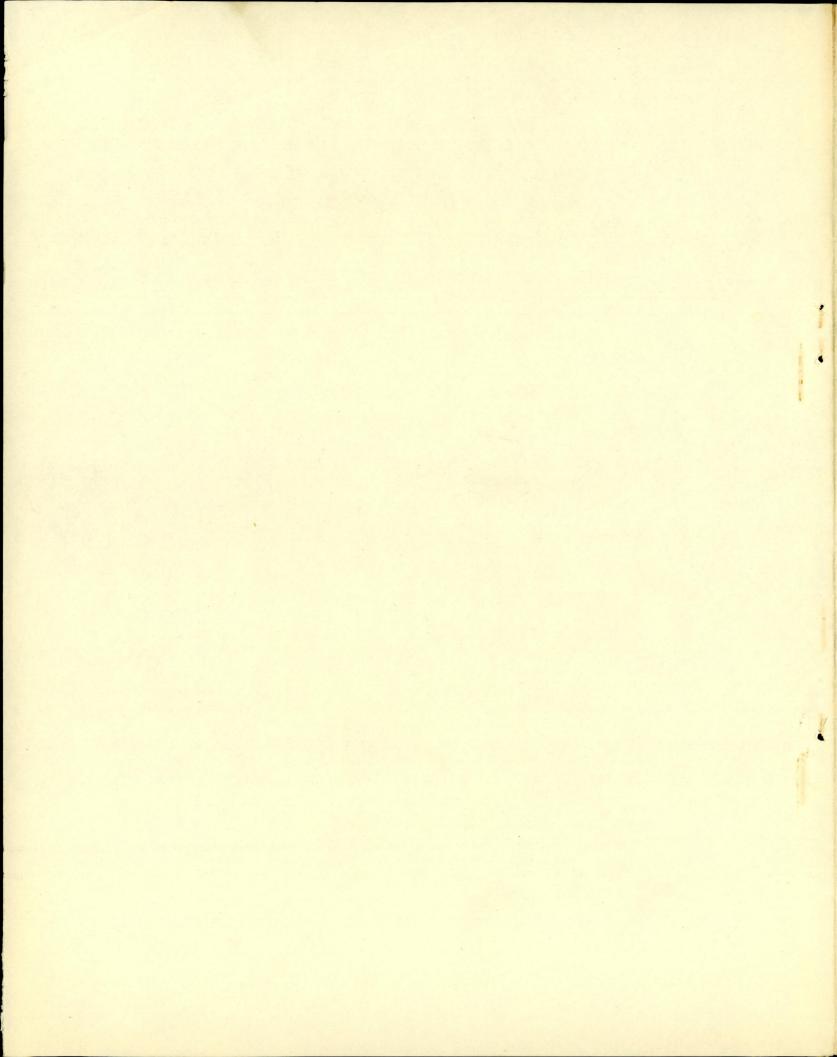
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whereby in consideration of loans made by the said bunk to the building society, the building society undertakes to observe the coverants, stipulations and conditions specified in the agreement.

- 2 In generation (a) for this subsection thede of persons? includes the Constanton insurance Opins of New South Wales.
- (2) Norwith randong arising, coansided in any agreement to which this service arches the accessors shall not come to precide the building society which is a party there are from making, our of money to rowed by it from the local radvances to a treather of the society to the extension and in the circumstances contemplated by service a late of the Coopgration Act, 1923/1938; as amended by this Act, and 15 authorised by the rules of the society.
- of subsections one of the section contains a coverage to the collect that the sectory trains a party to the account will not any case out of mouse borrowed by a from the lender of any case out of mouse borrowed by a from the lender that any case member of the society any greater amount than the same the subsect of the society of the restinant amount of the collect of the collect of the free contains any other of the collect of the free contains any other of the society of the collect of the collect of the society of the which when the collect of the colle

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DE it enacted by the Oucer's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in

1. (1) This Act may be cited as the "Co-operation short into (Amendment) Act, 1960".

Credit Act, 1923, as amended by subsequent Acts and by 10 this Act, may be cited as the Co-operation Act, 1923-1960.

Credit Act. 1923, as amended by subsequent Acts, is of Acts amended —

No. , 1960.

of Part II in section two the words "Small lower Chiefe socionies" and by $\mathbf{L}^{\mathrm{L}}\mathbf{L}^{\mathrm{L}}$ of $\mathbf{H}^{\mathrm{L}}\mathbf{L}^{\mathrm{L}}$ $\mathbf{H}^{\mathrm{L}}\mathbf{L}^{\mathrm{L}}$ \mathbf{H}^{L}

To make further provision in relation to the indemnification of building societies against loss; to provide that small loans societies formed under the Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts, shall be called credit unions; for these and other purposes to amend that Act, as so amended; and for purposes connected therewith.

[Mr. Landa;—9 March, 1960.]

BE

BE it enacted by the Queen'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 5 follows:—

- 1. (1) This Act may be cited as the "Co-operation Short title (Amendment) Act, 1960".
- (2) The Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts and by 10 this Act, may be cited as the Co-operation Act, 1923-1960.
 - 2. (1) The Co-operation, Community Settlement, and Amendment Credit Act, 1923, as amended by subsequent Acts, is of Act No. 1, 1924.
- (a) by omitting from the long title the words "small Long loans societies" and by inserting in lieu thereof the title. words "credit unions";
 - (b) by omitting from the matter relating to Division 8 Sec. 2. of Part II in section two the words "Small loans (Division societies" and by inserting in lieu thereof the words into Parts.) "Credit unions";
 - (c) (i) by inserting in the definition of "Society" in Sec. 5. section five after the word "society" the words (Interpretation.)
 - (ii) by omitting from the same definition the words "or union" and by inserting in lieu thereof the words ", or union of associations,";
 - (d) (i) by inserting in subsection one of section six Sec. 6.

 after the word "union" where firstly and (Societies.)

 secondly occurring the words "of associations";
- 30 (ii) by omitting paragraph (g) of the same subsection and by inserting in lieu thereof the following paragraph:—
 - (g) a credit union;

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Co-operation (Amendment).

- (e) by omitting from subsection one of section 15A the Sec. 15A.
 words "small loans society" and by inserting in lieu (Additional objects and powers.)
- (f) by omitting from paragraph (d) of section twenty Sec. 20.

 the words "small loans society" and by inserting in (Powers.)
 lieu thereof the words "credit unions";
 - (g) by omitting from the heading to Division 8 of Part Heading to II the words "Small loans societies" and by insert- Division 8 of Part II. ing in lieu thereof the words "Credit unions";
- (h) (i) by omitting from subsection one of section Sec. 29. twenty-nine the words "small loans society" (Objects.) and by inserting in lieu thereof the words "credit union";
- (ii) by omitting from paragraph (g) of the same subsection the words "the members of the society" and by inserting in lieu thereof the words "its members";
- (i) (i) by omitting from section thirty the word Sec. 30.

 "society" where firstly, secondly and thirdly (Powers.)

 occurring and by inserting in lieu thereof the words "credit union";
 - (ii) by omitting from paragraph (d) of the same section the words "small loans society" and by inserting in lieu thereof the words "credit union";
 - (j) (i) by omitting from subsection one of section Sec. 31.
 thirty-one the word "society" wherever occur- (Loans ring and by inserting in lieu thereof the words to members.).
- 30 (ii) by omitting from subsection two of the same section the words "small loans society" and by inserting in lieu thereof the words "credit union";

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(iii) by omitting from the same subsection the word "society" where secondly and thirdly occurring and by inserting in lieu thereof the words "credit union";

(k)

- (k) by omitting from subsections one, three, five, six, Sec. 31A. seven, eight, nine, ten and eleven of section 31A the (Loans to word "society" wherever occurring and by inserting members.) in lieu thereof the words "credit union";
- 5 (1) (i) by omitting from subsection one of section Sec. 34.
 thirty-four the words "small loans society" and (Associaby inserting in lieu thereof the words "credit union";
- (ii) by omitting from subsection three of the same section the words "small loans societies" and by inserting in lieu thereof the words "credit unions";

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- (m) by inserting in section thirty-six after the word Sec. 36.

 "union" wherever occurring the words "of associa- (Acquisition by association of shares in another association, union, etc.)
 - (n) by inserting in section thirty-seven after the word Sec. 37. "union" wherever occurring the words "of associa- (Union.) tions";
- (0) by inserting in subsections eight and nine of section Sec. 39.

 thirty-nine after the word "union" wherever occur- (Formation.)
 - (p) by inserting in subsection six, and in paragraph (1) Sec. 46.
 of subsection nine, of section forty-six after the word (Members.)
 "union" wherever occurring the words "of associations";
 - (q) by inserting in subsection twelve of section forty-Sec. 47. seven after the word "union" the words "of associa- (Shares.) tions";
- (r) by inserting next after subsection (4A) of section Sec. 61.

 sixty-one the following new subsection:

 (Use of word coword coperative.)

 trade or carry on business under any name or title
 of which the words "credit union" or any other

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words importing a similar meaning are part or in any manner hold out that the trade or business is that of a credit union.

- (s) by omitting from subsection two of section sixty-six Sec. 66.
 the words "or a small loans society" and by inserting (Loans and in lieu thereof the words "society or a credit union"; deposits.)
- (t) (i) by omitting from subsection four of section Sec. 82. eighty-two the words "small loans society" and (Rules.) by inserting in lieu thereof the words "credit union";
 - (ii) by inserting at the end of the same subsection the words "or credit union":
- (u) by inserting in subparagraph (iii) of paragraph (b) Sec. 84.

 of subsection seven, and in paragraph (f) of sub- (Board of section eleven, of section eighty-four after the word directors.)

 "union" wherever occurring the words "of associations";
- (v) (i) by inserting in paragraph (b) of subsection one Sec. 86. of section eighty-six after the word "union" (Votes of wherever occurring the words "of associa-members.) (tions";
 - (ii) by omitting from subsection four of the same section the words "or a small loans society" and by inserting in lieu thereof the words "society or a credit union";
 - (iii) by omitting from paragraph (c) of subsection nine of the same section the words "small loans society" and by inserting in lieu thereof the words "credit union":
- 30 (w) by inserting in paragraph (a) of subsection three of Sec. 92. section ninety-two after the word "union" the words (Winding-up.)
- of section one hundred and two the words "or a (Restricsmall loans society" and by inserting in lieu thereof tions on the words "society or a credit union";

(y)

- (y) by inserting in subsections one and two of section Sec. 103. one hundred and three after the word "union" (Too few wherever occurring the words "of associations".
- (2) Any small loans society registered under the Co-5 operation Act, 1923-1958, at the commencement of this Act shall be deemed to be a credit union registered under that Act, as amended by this Act.
- 3. (1) The Co-operation, Community Settlement, and Further Credit Act, 1923, as amended by subsequent Acts, is further amendment of Act No. 10 amended— 1, 1924.
 - (a) by inserting at the end of paragraph (d) of subsec-Sec. 8. tion one of section eight the words "or against any (Powers.) prescribed products to be delivered to the society";
 - (b) (i) by inserting at the end of subsection one of Sec. 16. section sixteen the following new paragraph: __(Objects.)
 - (d) to make loans to its members upon the security of any tenure under the Crown Lands Consolidation Act, 1913, as amended by subsequent Acts, the Closer Settlement Acts or the Returned Soldiers Settlement Act, 1916, as amended by subsequent Acts.
 - (ii) by inserting next after subsection two of the same section the following new subsection: —
 - (2A) A building society shall not make any loan on the security of any tenure (not being a leasehold) referred to in paragraph (d) of subsection one of this section without the approval of the Co-operative Building Advisory Committee constituted under this Act.
 - (c) (i) by omitting from paragraph (c) of subsection Sec. 17A. (1A) of section 17A the words "two hundred may underand seventy-five pounds" and by inserting in take to lieu thereof the words "one hundred and sixty building pounds";

societies against loss in certain circum-

(ii) stances.)

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- (ii) by omitting from the same paragraph the words "two thousand five hundred pounds" and by inserting in lieu thereof the words "three thousand and twenty-five pounds";
- (iii) by omitting from the same subsection the words "ninety per centum" wherever occurring and by inserting in lieu thereof the words "ninety-five per centum";
- (d) by omitting from subsection seven of section forty-Sec. 46.

 six the words "appoints any member to represent the (Members.)

 society in respect of a share held by it in any other
 society, the person" and by inserting in lieu thereof
 the words "or other corporate body appoints any
 member or person to represent it in respect of a
 share held in any society, the member or person";
 - (e) (i) by inserting at the end of subsection ten of Sec. 47.
 section forty-seven the following new para- (Shares.)
 graphs:—
 - (b) Where a member of any society specified in the Second Schedule to this Act, whose name includes the words "building society", holds shares in excess of the number permitted by or under this subsection, that member shall for every day during which the society carries on business be liable to a penalty not exceeding twenty-five pounds.
 - (c) Nothing in this subsection shall prevent a member, being a society, from holding, with the approval of the Advisory Council constituted under this Act, shares in another society in excess of the number of shares that it would, but for this paragraph, be permitted to hold by or under this subsection.
 - (ii) by inserting at the end of the same section the following new subsection:—
 - (18) (a) Subject to this subsection, the board of a society with limited liability may if authorised by the rules of the society declare to

be forfeited the shares of any member who has not for a period of three years had any dealings with the society and whose whereabouts are unknown to the board. Any such declaration shall have effect according to its tenor.

(b) No share of a member of a society shall be forfeited under this subsection where the total amount paid to that society in respect of any shares held by that member exceeds fifty pounds.

(c) The society shall not declare the shares of any member to be forfeited unless it has given, in a newspaper circulating in the district in which the registered office of the society is situated, at least one month's notice of its intention to do so.

(d) Upon forfeiture of any shares under this subsection there shall become payable to the member whose shares are forfeited all moneys subscribed by the member in respect of the forfeited shares.

(f) by inserting at the end of subsection four of section Sec. 61 sixty-one the following new paragraph:—

(Use of word co-

(b) (i) The companies specified in the Fourth operative.)
Schedule to this Act shall be exempt from the provisions of subsection one of this section.

This subparagraph shall cease to have effect with respect to any company so specified if the Governor, upon a report of the Advisory Council that the company is not in its opinion trading or carrying on business for the purpose of promoting the economic interests of its members substantially in accordance with co-operative principles, determines that the company shall not be exempt from the provisions of subsection one of this section and the registrar sends notice of that determination to the company.

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of Sec. 47.

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Co-operation (Amendment).

- (ii) At least sixty days before making any alteration to its memorandum or articles of association a company specified in the Fourth Schedule to this Act shall file with the registrar a copy of the proposed alteration.
 - (g) by omitting subsection two of section sixty-five;

Sec. 65. (Borrowing powers.)

- (h) by omitting from subsection (3A) of section sixty- Sec. 68. eight the words "the paid-up capital of the society" (Investand by inserting in lieu thereof the words "the sum of the paid-up capital of the society and any sums transferred to any reserve or to any reserve fund created out of any surplus referred to in section forty-eight or forty-nine of this Act";
- (i) by inserting next after subsection (2A) of section Sec. 76. seventy-six the following new subsection: -(Returns.)
 - (2B) A building society shall in respect of any loan approved or made by it furnish to the registrar in the prescribed manner and within the prescribed time such returns as may be prescribed.
- (i) by omitting from subsection one of section eighty sec. 80. 20 the words "entitled under the rules to vote as may (Special be present in person or by proxy, where the rules resolution.) allow proxies" and by inserting in lieu thereof the words "as, being entitled so to do, vote in person or, where proxies are allowed, by proxy"; 25
 - (k) by omitting section eighty-one;

Sec. 81. (Model

- (1) (i) by inserting in paragraph (j) of subsection two Sec. 82. of section eighty-two after the word "call" the (Rules.) words "or in the circumstances mentioned in paragraph (a) of subsection eighteen of section forty-seven of this Act";
- (ii) by inserting in subsection eight of the same section after the word "exceeding" the words "where a sum is prescribed by the rules of the society, the sum so prescribed, or where there 35 graph (Officers 28 is no sum so prescribed, the sum of";

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- (m) (i) by omitting from paragraph (i) of subsection Sec. 84.
 eleven of section eighty-four the words "if he (Board of has, except as provided in this section," and by inserting in lieu thereof the words "if, except as provided in this section, he has, or is a partner of, or in the employment of, or the employer of, any other person who has,";
 - (ii) by inserting in subsection twelve of the same section after the word "director" where firstly occurring the words ", or other person referred to in that paragraph, as the case may be,";
 - (iii) by inserting in the same subsection after the word "director" where secondly, thirdly, fourthly and fifthly occurring the words ", or such other person,";
 - (iv) by inserting in paragraphs (d) and (f) of the same subsection after the word "director" wherever occurring the words ", or any such other person,";
- (v) by inserting in paragraph (e) of the same subsection after the word "director's" the words ", or any such other person's,";
- (vi) by inserting in subsection (12A) of the same section after the word "director" the words ", or other person referred to in that paragraph, as the case may be,";
 - (n) by inserting next after subsection seven of section Sec. 86. eighty-six the following new subsection:— (Votes of members.)
- on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to an additional or casting vote.
- (o) by inserting in subsection three of section eighty-Sec. 88.
 35 eight after the word "officer" the words "or person (Officers.) employed by a society";

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- (p) by inserting next after subsection two of section one Sec. 101. hundred and one the following new subsection: (Defaults by society.
 - (2A) If a society is guilty of an offence under paragraph (d) of subsection one, or under subsection two, of this section, it shall, for every day after the offence is committed and until the notice, return or information, as the case may be, is transmitted or furnished, be liable to a penalty not exceeding five pounds.
- 10 (q) by omitting from subsection three of section one Sec. 114. (Advisory inserting in lieu thereof the word "Minister";
 - (r) by inserting at the end of subsection one of section Sec. 117.

 one hundred and seventeen the words "whether or (Inspection not it is in the course of being wound up and in the by registrar:) case of a society that is being wound up, any minutes, books, records or documents kept by the liquidator in respect of the society":
- (s) by omitting from the Third Schedule the words and Sch. 3. figures "Sections 18, 52 and 54" and by inserting in lieu thereof the words and figures "Section 18, subsection (10) of section 47; sections 52 and 54; subsection (3) of section 65";
- (t) by inserting next after the Third Schedule the follow- New Sch. 4.
 25 ing new Schedule: —

FOURTH SCHEDULE.

Companies exempt from section 61 (1).

The Farmers and Settlers Co-operative Insurance Company of Australia Limited.

The Farmers and Graziers' Co-operative Grain Insurance and Agency Company Limited.

The Producers and Citizens' Co-operative Assurance Company Limited.

(2) (a) The amendment made by paragraph (k) of 35 subsection one of this section shall commence upon a day to be appointed by the Governor and notified by proclamation in the Gazette.

(b)

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Co-operation (Amendment).

- (b) Where immediately before the day appointed pursuant to paragraph (a) of this subsection, any model rule made under section eighty-one of the Co-operation Act 1923-1958, formed or was deemed to form part of the rules of a 5 society, that model rule shall continue to form or to be deemed to form part of those rules and may be altered, added to or rescinded as if it were a rule of the society made under that Act, as amended by this Act.
- (3) Paragraph (b) of subsection ten of section forty-10 seven of the Co-operation Act, 1923-1960, as inserted by paragraph (e) of subsection one of this section, and the amendment made by paragraph (s) of that subsection shall commence upon the expiration of a period of three months from the date on which Her Majesty's assent to this Act is 15 signified.

4. (1) This section shall apply to—

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Variation of certain

- (a) every agreement which was entered into before the agreements. commencement of this Act, between a building society duly registered under the Co-operation, Community Settlement, and Credit Act, 1923, as 20 amended by subsequent Acts, and the Treasurer, and which is in force at such commencement, whereby in consideration of the execution by the Treasurer pursuant to the Government Guarantees 25 Act, 1934-1948, of a guarantee in favour of the bank society or body of persons mentioned in the agreement (which bank society or body of persons is in this section referred to as "the lender") the building society undertakes to observe the covenants, stipulations and conditions specified in the 30 agreement; and
 - (b) every agreement, being an equitable mortgage, which was entered into before the commencement of this Act between a building society duly registered as aforesaid and the Rural Bank of New South Wales (in this section referred to as "the lender") whereby

whereby in consideration of loans made by the said bank to the building society, the building society undertakes to observe the covenants, stipulations and conditions specified in the agreement.

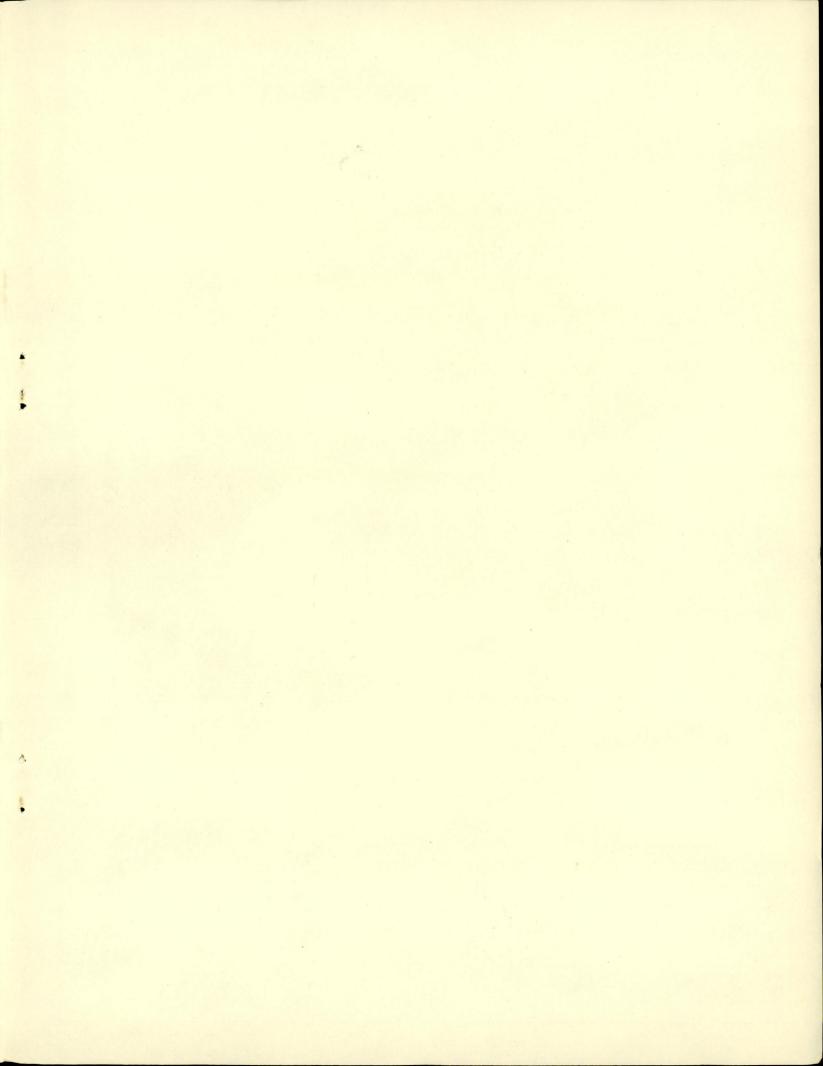
- 5 In paragraph (a) of this subsection, "body of persons" includes the Government Insurance Office of New South Wales.
- (2) Notwithstanding anything contained in any agreement to which this section applies, the agreement shall not 10 operate to preclude the building society which is a party thereto from making, out of moneys borrowed by it from the lender, advances to a member of the society to the extent and in the circumstances contemplated by section 17A of the Co-operation Act, 1923-1958, as amended by this Act, and 15 authorised by the rules of the society.
- (3) Where any agreement referred to in paragraph (a) of subsection one of this section contains a covenant to the effect that the society that is a party to the agreement will not in any case out of money borrowed by it from the lender 20 advance to any one member of the society any greater amount than the amount specified in a notice in writing by the Treasurer to the society as the maximum amount which at the date of the advance is permitted to be advanced to any one member, nothing in that covenant shall preclude the society 25 from advancing out of money borrowed by it from the lender to any one member of the society an amount which when
- to any one member of the society an amount which when reduced by the value of the share capital of the member or the sum of one hundred and sixty pounds, whichever is the less, does not exceed the sum of three thousand and twenty-

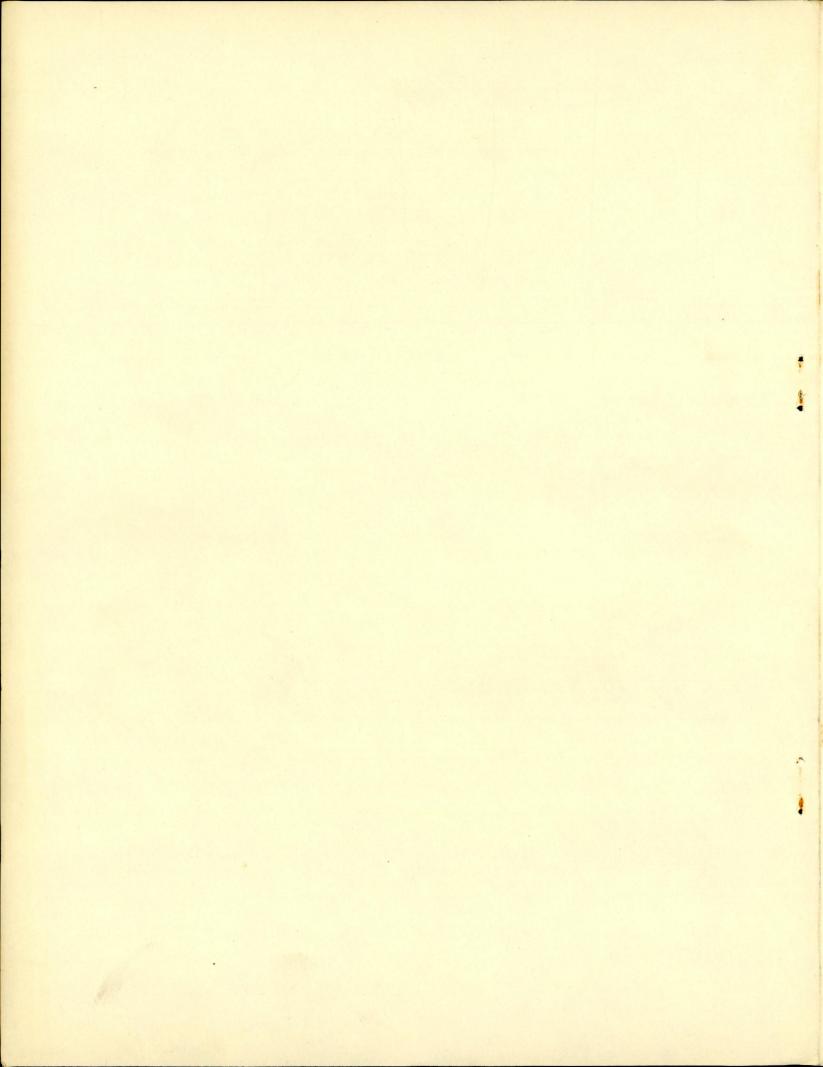
30 five pounds.

Co-operation (includence).

where by in consideration of leans analog by the said bank to the building society, the building society undertakes to observe the coverants simulations and condition specifical in the agreement.

- 5 In paragraph (a) of this subsection, "body of parants" includes the Government Instrume. Office of New South Water.
- 12) Schallestandian analytic contained in any agreement to which the section applies the sector shall not 10 operate to preduce for hulding society which is a party thereo from making, out of moures because in the lender, advances to a member of the voice y to the extent and in the circumstances contempated by section 17 v of the Co-operation Act, 1923-195s, as ancorded by this Act, and
- of subsects and a single section contains a covenant to the effect that the society that is a party to the agreement will not an any case out of money horrowed by it from the lender than the society and the society any streater amount than the section is smooth specified in a notice of writing by the 'free-than the society as the maximum amount which at the sace of the absence of the maximum amount which at the date of the advance is remitted to be advanced to not one member, recting in this coverant shall prectude the society to any one member of the receipt and money borrowed by it from the lender to any one member of the receipt and the secrety in the sum of the secret the store capital of the member or the sum of these thousand and twenty-





New South Wales



ANNO NONO

ELIZABETHÆ II REGINÆ

Act No. 11, 1960.

An Act to make further provision in relation to the indemnification of building societies against loss; to provide that small loans societies formed under the Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts, shall be called credit unions; for these and other purposes to amend that Act, as so amended; and for purposes connected therewith. [Assented to, 30th March, 1960.]

BE

BE it enacted by the Queen'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:—

Short title and citation.

- 1. (1) This Act may be cited as the "Co-operation (Amendment) Act. 1960".
- (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, 1923-1960.

Amendment of Act No. 1, 1924. (1) The Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts, is amended—

Long title.

(a) by omitting from the long title the words "small loans societies" and by inserting in lieu thereof the words "credit unions";

Sec. 2. (Division into Parts.)

(b) by omitting from the matter relating to Division 8 of Part II in section two the words "Small loans societies" and by inserting in lieu thereof the words "Credit unions":

Sec. 5. (Interpretation.)

- (c) (i) by inserting in the definition of "Society" in section five after the word "society" the words ", or credit union,";
 - (ii) by omitting from the same definition the words "or union" and by inserting in lieu thereof the words ", or union of associations,";

Sec. 6. (Societies.)

- (d) (i) by inserting in subsection one of section six after the word "union" where firstly and secondly occurring the words "of associations";
 - (ii) by omitting paragraph (g) of the same subsection and by inserting in lieu thereof the following paragraph:—
 - (g) a credit union;

- words "small loans society" and by inserting in lieu (Additional objects and powers.)
 - (f) by omitting from paragraph (d) of section twenty Sec. 20. the words "small loans society" and by inserting in (Powers.) lieu thereof the words "credit unions";
- (g) by omitting from the heading to Division 8 of Part Heading to II the words "Small loans societies" and by insert-Division 8 of Part II. ing in lieu thereof the words "Credit unions";
 - (h) (i) by omitting from subsection one of section Sec. 29.
 twenty-nine the words "small loans society" (Objects.)
 and by inserting in lieu thereof the words
 "credit union";
 - (ii) by omitting from paragraph (g) of the same subsection the words "the members of the society" and by inserting in lieu thereof the words "its members";
 - (i) by omitting from section thirty the word Sec. 30.
 "society" where firstly, secondly and thirdly (Powers.) occurring and by inserting in lieu thereof the words "credit union";
 - (ii) by omitting from paragraph (d) of the same section the words "small loans society" and by inserting in lieu thereof the words "credit union";
 - (j) (i) by omitting from subsection one of section Sec. 31.
 thirty-one the word "society" wherever occur- (Loans ring and by inserting in lieu thereof the words to members.)
 - (ii) by omitting from subsection two of the same section the words "small loans society" and by inserting in lieu thereof the words "credit union":
 - (iii) by omitting from the same subsection the word "society" where secondly and thirdly occurring and by inserting in lieu thereof the words "credit union";

Sec. 31A. (Loans to members.) (k) by omitting from subsections one, three, five, six, seven, eight, nine, ten and eleven of section 31A the word "society" wherever occurring and by inserting in lieu thereof the words "credit union":

Sec. 34. (Association.)

- (1) (i) by omitting from subsection one of section thirty-four the words "small loans society" and by inserting in lieu thereof the words "credit union";
 - (ii) by omitting from subsection three of the same section the words "small loans societies" and by inserting in lieu thereof the words "credit unions";

Sec. 36.
(Acquisition by association of shares in another association, union, etc.)

(m) by inserting in section thirty-six after the word "union" wherever occurring the words "of associations";

Sec. 37. (Union.)

(n) by inserting in section thirty-seven after the word "union" wherever occurring the words "of associations";

Sec. 39. (Formation.)

(o) by inserting in subsections eight and nine of section thirty-nine after the word "union" wherever occurring the words "of associations";

Sec. 46. (Members.)

(p) by inserting in subsection six, and in paragraph (1)
 of subsection nine, of section forty-six after the word
 "union" wherever occurring the words "of associations";

Sec. 47. (Shares.)

(q) by inserting in subsection twelve of section fortyseven after the word "union" the words "of associations":

Sec. 61. (Use of word cooperative.)

- (r) by inserting next after subsection (4A) of section sixty-one the following new subsection:—
 - (4B) No person other than a credit union shall trade or carry on business under any name or title of which the words "credit union" or any other words

words importing a similar meaning are part or in any manner hold out that the trade or business is that of a credit union.

- (s) by omitting from subsection two of section sixty-six Sec. 66. the words "or a small loans society" and by inserting (Loans and in lieu thereof the words "society or a credit union"; deposits.)
- (t) (i) by omitting from subsection four of section Sec. 82. eighty-two the words "small loans society" and (Rules.) by inserting in lieu thereof the words "credit union";
 - (ii) by inserting at the end of the same subsection the words "or credit union";
- (u) by inserting in subparagraph (iii) of paragraph (b) Sec. 84. of subsection seven, and in paragraph (f) of sub-(Board of section eleven, of section eighty-four after the word directors.) "union" wherever occurring the words "of associations";
- (v) (i) by inserting in paragraph (b) of subsection one Sec. 86.
 of section eighty-six after the word "union" (Votes of wherever occurring the words "of associa-members.)
 tions";
 - (ii) by omitting from subsection four of the same section the words "or a small loans society" and by inserting in lieu thereof the words "society or a credit union";
 - (iii) by omitting from paragraph (c) of subsection nine of the same section the words "small loans society" and by inserting in lieu thereof the words "credit union";
- (w) by inserting in paragraph (a) of subsection three of Sec. 92.
 section ninety-two after the word "union" the words (Winding-up.)
- (x) by omitting from paragraph (b) of subsection one Sec. 102. of section one hundred and two the words "or a (Restricsmall loans society" and by inserting in lieu thereof tions on the words "society or a credit union";

Sec. 103. (Too few members.)

- (y) by inserting in subsections one and two of section one hundred and three after the word "union" wherever occurring the words "of associations".
- (2) Any small loans society registered under the Cooperation Act, 1923-1958, at the commencement of this Act shall be deemed to be a credit union registered under that Act, as amended by this Act.

Further amendment of Act No. 1, 1924.

3. (1) The Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts, is further amended—

Sec. 8. (Powers.)

(a) by inserting at the end of paragraph (d) of subsection one of section eight the words "or against any prescribed products to be delivered to the society";

Sec. 16. (Objects.)

- (b) (i) by inserting at the end of subsection one of section sixteen the following new paragraph:—
 - (d) to make loans to its members upon the security of any tenure under the Crown Lands Consolidation Act, 1913, as amended by subsequent Acts, the Closer Settlement Acts or the Returned Soldiers Settlement Act, 1916, as amended by subsequent Acts.
 - (ii) by inserting next after subsection two of the same section the following new subsection: —
 - (2A) A building society shall not make any loan on the security of any tenure (not being a leasehold) referred to in paragraph (d) of subsection one of this section without the approval of the Co-operative Building Advisory Committee constituted under this Act.

Sec. 17a.
(Treasurer may undertake to indemnify building societies against loss in certain circumstances.)

(c) (i) by omitting from paragraph (c) of subsection (1A) of section 17A the words "two hundred and seventy-five pounds" and by inserting in lieu thereof the words "one hundred and sixty pounds";

- (ii) by omitting from the same paragraph the words "two thousand five hundred pounds" and by inserting in lieu thereof the words "three thousand and twenty-five pounds";
- (iii) by omitting from the same subsection the words "ninety per centum" wherever occurring and by inserting in lieu thereof the words "ninety-five per centum";
- (d) by omitting from subsection seven of section forty-Sec. 46. six the words "appoints any member to represent the (Members.) society in respect of a share held by it in any other society, the person" and by inserting in lieu thereof the words "or other corporate body appoints any member or person to represent it in respect of a share held in any society, the member or person";
- (e) (i) by inserting at the end of subsection ten of Sec. 47. section forty-seven the following new para- (Shares.) graphs:—
 - (b) Where a member of any society specified in the Second Schedule to this Act, whose name includes the words "building society", holds shares in excess of the number permitted by or under this subsection, that member shall for every day during which the society carries on business be liable to a penalty not exceeding twenty-five pounds.
 - (c) Nothing in this subsection shall prevent a member, being a society, from holding, with the approval of the Advisory Council constituted under this Act, shares in another society in excess of the number of shares that it would, but for this paragraph, be permitted to hold by or under this subsection.
 - (ii) by inserting at the end of the same section the following new subsection:—
 - (18) (a) Subject to this subsection, the board of a society with limited liability may if authorised by the rules of the society declare to

be forfeited the shares of any member who has not for a period of three years had any dealings with the society and whose whereabouts are unknown to the board. Any such declaration shall have effect according to its tenor.

- (b) No share of a member of a society shall be forfeited under this subsection where the total amount paid to that society in respect of any shares held by that member exceeds fifty pounds.
- (c) The society shall not declare the shares of any member to be forfeited unless it has given, in a newspaper circulating in the district in which the registered office of the society is situated, at least one month's notice of its intention to do so.
- (d) Upon forfeiture of any shares under this subsection there shall become payable to the member whose shares are forfeited all moneys subscribed by the member in respect of the forfeited shares.

Sec. 61. (Use of word cooperative.)

- (f) by inserting at the end of subsection four of section sixty-one the following new paragraph:—
 - (b) (i) The companies specified in the Fourth Schedule to this Act shall be exempt from the provisions of subsection one of this section.

This subparagraph shall cease to have effect with respect to any company so specified if the Governor, upon a report of the Advisory Council that the company is not in its opinion trading or carrying on business for the purpose of promoting the economic interests of its members substantially in accordance with co-operative principles, determines that the company shall not be exempt from the provisions of subsection one of this section and the registrar sends notice of that determination to the company.

- (ii) At least sixty days before making any alteration to its memorandum or articles of association a company specified in the Fourth Schedule to this Act shall file with the registrar a copy of the proposed alteration.
- (g) by omitting subsection two of section sixty-five;

Sec. 65. (Borrowing powers.)

- (h) by omitting from subsection (3A) of section sixty-Sec. 68. eight the words "the paid-up capital of the society" (Investand by inserting in lieu thereof the words "the sum of the paid-up capital of the society and any sums transferred to any reserve or to any reserve fund created out of any surplus referred to in section forty-eight or forty-nine of this Act";
- (i) by inserting next after subsection (2A) of section Sec. 76. seventy-six the following new subsection:— (Returns.)
 - (2B) A building society shall in respect of any loan approved or made by it furnish to the registrar in the prescribed manner and within the prescribed time such returns as may be prescribed.
- (j) by omitting from subsection one of section eighty sec. 80. the words "entitled under the rules to vote as may (Special be present in person or by proxy, where the rules resolution.) allow proxies" and by inserting in lieu thereof the words "as, being entitled so to do, vote in person or, where proxies are allowed, by proxy";
- (k) by omitting section eighty-one;

Sec. 81. (Model rules.)

- (1) (i) by inserting in paragraph (j) of subsection two Sec. 82. of section eighty-two after the word "call" the (Rules.) words "or in the circumstances mentioned in paragraph (a) of subsection eighteen of section forty-seven of this Act":
 - (ii) by inserting in subsection eight of the same section after the word "exceeding" the words "where a sum is prescribed by the rules of the society, the sum so prescribed, or where there is no sum so prescribed, the sum of";

Sec. 84. (Board of directors.)

- (m) (i) by omitting from paragraph (i) of subsection eleven of section eighty-four the words "if he has, except as provided in this section," and by inserting in lieu thereof the words "if, except as provided in this section, he has, or is a partner of, or in the employment of, or the employer of, any other person who has,";
 - (ii) by inserting in subsection twelve of the same section after the word "director" where firstly occurring the words ", or other person referred to in that paragraph, as the case may be,";
 - (iii) by inserting in the same subsection after the word "director" where secondly, thirdly, fourthly and fifthly occurring the words ", or such other person,";
 - (iv) by inserting in paragraphs (d) and (f) of the same subsection after the word "director" wherever occurring the words ", or any such other person,";
 - (v) by inserting in paragraph (e) of the same subsection after the word "director's" the words ", or any such other person's,";
 - (vi) by inserting in subsection (12A) of the same section after the word "director" the words ", or other person referred to in that paragraph, as the case may be,";

Sec. 86. (Votes of nembers.)

- (n) by inserting next after subsection seven of section eighty-six the following new subsection:—
 - (7A) In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to an additional or casting vote.

Sec. 88. (Officers.)

(o) by inserting in subsection three of section eightyeight after the word "officer" the words "or person employed by a society";

- (p) by inserting next after subsection two of section one Sec. 101. hundred and one the following new subsection:— (Defaults by society.)
 - (2A) If a society is guilty of an offence under paragraph (d) of subsection one, or under subsection two, of this section, it shall, for every day after the offence is committed and until the notice, return or information, as the case may be, is transmitted or furnished, be liable to a penalty not exceeding five pounds.
- (q) by omitting from subsection three of section one Sec. 114. hundred and fourteen the word "Governor" and by (Advisory inserting in lieu thereof the word "Minister";
- (r) by inserting at the end of subsection one of section Sec. 117. one hundred and seventeen the words "whether or (Inspection not it is in the course of being wound up and in the by registrar.) case of a society that is being wound up, any minutes, books, records or documents kept by the liquidator in respect of the society";
- (s) by omitting from the Third Schedule the words and Sch. 3. figures "Sections 18, 52 and 54" and by inserting in lieu thereof the words and figures "Section 18, subsection (10) of section 47; sections 52 and 54; subsection (3) of section 65":
- (t) by inserting next after the Third Schedule the follow- New Sch. 4. ing new Schedule:—

FOURTH SCHEDULE.

Companies exempt from section 61 (1).

The Farmers and Settlers Co-operative Insurance Company of Australia Limited.

The Farmers and Graziers' Co-operative Grain Insurance and Agency Company Limited.

The Producers and Citizens' Co-operative Assurance Company Limited.

(2) (a) The amendment made by paragraph (k) of subsection one of this section shall commence upon a day to be appointed by the Governor and notified by proclamation in the Gazette.

- (b) Where immediately before the day appointed pursuant to paragraph (a) of this subsection, any model rule made under section eighty-one of the Co-operation Act, 1923-1958, formed or was deemed to form part of the rules of a society, that model rule shall continue to form or to be deemed to form part of those rules and may be altered, added to or rescinded as if it were a rule of the society made under that Act, as amended by this Act.
- (3) Paragraph (b) of subsection ten of section forty-seven of the Co-operation Act, 1923-1960, as inserted by paragraph (e) of subsection one of this section, and the amendment made by paragraph (s) of that subsection shall commence upon the expiration of a period of three months from the date on which Her Majesty's assent to this Act is signified.

Variation of certain agreements.

4. (1) This section shall apply to—

- (a) every agreement which was entered into before the commencement of this Act, between a building society duly registered under the Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts, and the Treasurer, and which is in force at such commencement, whereby in consideration of the execution by the Treasurer pursuant to the Government Guarantees Act, 1934-1948, of a guarantee in favour of the bank society or body of persons mentioned in the agreement (which bank society or body of persons is in this section referred to as "the lender") the building society undertakes to observe the covenants, stipulations and conditions specified in the agreement; and
- (b) every agreement, being an equitable mortgage, which was entered into before the commencement of this Act between a building society duly registered as aforesaid and the Rural Bank of New South Wales (in this section referred to as "the lender") whereby

whereby in consideration of loans made by the said bank to the building society, the building society undertakes to observe the covenants, stipulations and conditions specified in the agreement.

In paragraph (a) of this subsection, "body of persons" includes the Government Insurance Office of New South Wales.

- (2) Notwithstanding anything contained in any agreement to which this section applies, the agreement shall not operate to preclude the building society which is a party thereto from making, out of moneys borrowed by it from the lender, advances to a member of the society to the extent and in the circumstances contemplated by section 17A of the Co-operation Act, 1923-1958, as amended by this Act, and authorised by the rules of the society.
- (3) Where any agreement referred to in paragraph (a) of subsection one of this section contains a covenant to the effect that the society that is a party to the agreement will not in any case out of money borrowed by it from the lender advance to any one member of the society any greater amount than the amount specified in a notice in writing by the Treasurer to the society as the maximum amount which at the date of the advance is permitted to be advanced to any one member, nothing in that covenant shall preclude the society from advancing out of money borrowed by it from the lender to any one member of the society an amount which when reduced by the value of the share capital of the member or the sum of one hundred and sixty pounds, whichever is the less, does not exceed the sum of three thousand and twenty-five pounds.

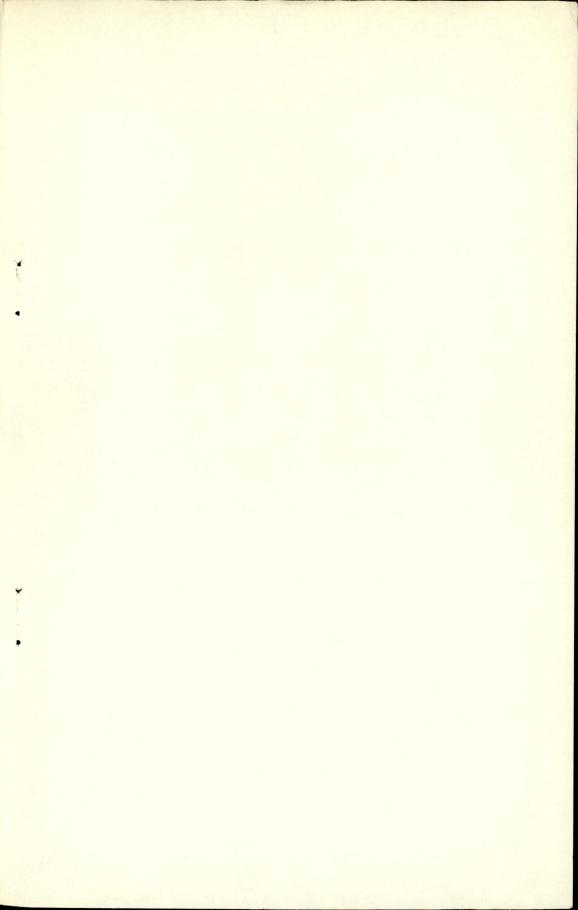
whereby in consideration of loans made by the said bank to the building society, the building society undertakes to observe the coverants, supulations and conditions specified in the agreement.

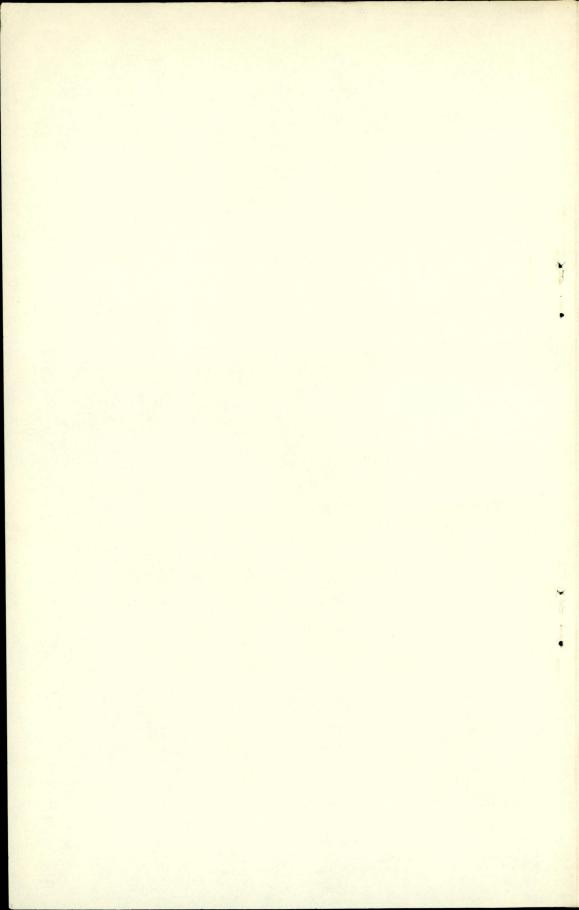
In paragraph (a) of this subsection, "body of persons" includes the Gavernment Insurance Office of New South Wales.

- (1) Norwithstanding anything contained in any agreement to orbits this section applies, the agreement shall not operate to preclude the building-society which is a party discrete from making out of moneys borrowed by it from the lender, advances to a member of the society to the extent and in the circumstances on templated by section 17s of the Casperation Act. 1923-1938, as amended by the rules of the society.
- (3) Where any agreement referred to in containing to the subsection to the section contains a contains to the collection of the section contains a contain to the collection of the social that the social tha

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while and a manifest or provided in the Co. T. Co.





I certify that this Public Bill, which originated in the Legislative Assembly, has finally passed the Legislative Council and the Legislative Assembly of New South Wales.

ALLAN PICKERING, Clerk of the Legislative Assembly.

Legislative Assembly Chamber, Sydney, 23 March, 1960.

New South Wales



ANNO NONO

ELIZABETHÆ II REGINÆ

Act No. 11, 1960.

An Act to make further provision in relation to the indemnification of building societies against loss; to provide that small loans societies formed under the Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts, shall be called credit unions; for these and other purposes to amend that Act, as so amended; and for purposes connected therewith. [Assented to, 30th March, 1960.]

BE

I have examined this Bill, and find it to correspond in all respects with the Bill as finally passed by both Houses.

HOWARD T. FOWLES,

Chairman of Committees of the Legislative Assembly.

B^E it enacted by the Queen'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:—

Short title and citation.

- 1. (1) This Act may be cited as the "Co-operation (Amendment) Act, 1960".
- (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, 1923-1960.

Amendment of Act No. 1, 1924. Credit Act, 1923, as amended by subsequent Acts, is amended—

Long title.

(a) by omitting from the long title the words "small loans societies" and by inserting in lieu thereof the words "credit unions";

Sec. 2. (Division into Parts.)

(b) by omitting from the matter relating to Division 8 of Part II in section two the words "Small loans societies" and by inserting in lieu thereof the words "Credit unions";

Sec. 5. (Interpretation.)

- (c) (i) by inserting in the definition of "Society" in section five after the word "society" the words ", or credit union,";
 - (ii) by omitting from the same definition the words "or union" and by inserting in lieu thereof the words ", or union of associations,";

Sec. 6. (Societies.)

- (d) (i) by inserting in subsection one of section six after the word "union" where firstly and secondly occurring the words "of associations";
 - (ii) by omitting paragraph (g) of the same subsection and by inserting in lieu thereof the following paragraph:—
 - (g) a credit union;

- (e) by omitting from subsection one of section 15A the Sec. 15A. words "small loans society" and by inserting in lieu (Additional objects an l powers.)
- (f) by omitting from paragraph (d) of section twenty Sec. 20. the words "small loans society" and by inserting in (Powers.) lieu thereof the words "credit unions";
- (g) by omitting from the heading to Division 8 of Part Heading to II the words "Small loans societies" and by insert-Division 8 of Part II. ing in lieu thereof the words "Credit unions";
- (h) (i) by omitting from subsection one of section Sec. 29. twenty-nine the words "small loans society" (Objects.) and by inserting in lieu thereof the words "credit union":
 - (ii) by omitting from paragraph (g) of the same subsection the words "the members of the society" and by inserting in lieu thereof the words "its members";
- (i) by omitting from section thirty the word Sec. 30.
 "society" where firstly, secondly and thirdly (Powers.) occurring and by inserting in lieu thereof the words "credit union";
 - (ii) by omitting from paragraph (d) of the same section the words "small loans society" and by inserting in lieu thereof the words "credit union";
- (j) (i) by omitting from subsection one of section Sec. 31.
 thirty-one the word "society" wherever occur- (Loans ring and by inserting in lieu thereof the words to members.)
 "credit union";
 - (ii) by omitting from subsection two of the same section the words "small loans society" and by inserting in lieu thereof the words "credit union";
 - (iii) by omitting from the same subsection the word "society" where secondly and thirdly occurring and by inserting in lieu thereof the words "credit union";

operative.)

Co-operation (Amendment).

(k) by omitting from subsections one, three, five, six, Sec. 31A. seven, eight, nine, ten and eleven of section 31A the (Loans to members.) word "society" wherever occurring and by inserting in lieu thereof the words "credit union"; (i) by omitting from subsection one of section Sec. 34. (Associathirty-four the words "small loans society" and tion.) by inserting in lieu thereof the words "credit union"; (ii) by omitting from subsection three of the same section the words "small loans societies" and by inserting in lieu thereof the words "credit unions"; (m) by inserting in section thirty-six after the word Sec. 36. "union" wherever occurring the words "of associa-(Acquisition by associations"; tion of shares in another association, union, etc.) (n) by inserting in section thirty-seven after the word Sec. 37. "union" wherever occurring the words "of associa-(Union.) tions": (o) by inserting in subsections eight and nine of section Sec. 39. thirty-nine after the word "union" wherever occur-(Formation.) ring the words "of associations"; (p) by inserting in subsection six, and in paragraph (1) Sec. 46. of subsection nine, of section forty-six after the word (Members.) "union" wherever occurring the words "of associations"; (q) by inserting in subsection twelve of section forty-Sec. 47. seven after the word "union" the words "of associa-(Shares.) tions"; (r) by inserting next after subsection (4A) of section Sec. 61. sixty-one the following new subsection: -(Use of word co-(4B) No person other than a credit union shall

> trade or carry on business under any name or title of which the words "credit union" or any other

> > words

words importing a similar meaning are part or in any manner hold out that the trade or business is that of a credit union.

- (s) by omitting from subsection two of section sixty-six Sec. 66. the words "or a small loans society" and by inserting (Loans and in lieu thereof the words "society or a credit union"; deposits.)
- (t) (i) by omitting from subsection four of section Sec. 82. eighty-two the words "small loans society" and (Rules.) by inserting in lieu thereof the words "credit union";
 - (ii) by inserting at the end of the same subsection the words "or credit union";
- (u) by inserting in subparagraph (iii) of paragraph (b) Sec. 84. of subsection seven, and in paragraph (f) of sub- (Board of section eleven, of section eighty-four after the word directors.) "union" wherever occurring the words "of associations";
- (v) (i) by inserting in paragraph (b) of subsection one Sec. 86. of section eighty-six after the word "union" (Votes of wherever occurring the words "of associa-members.) tions";
 - (ii) by omitting from subsection four of the same section the words "or a small loans society" and by inserting in lieu thereof the words "society or a credit union";
 - (iii) by omitting from paragraph (c) of subsection nine of the same section the words "small loans society" and by inserting in lieu thereof the words "credit union";
- (w) by inserting in paragraph (a) of subsection three of Sec. 92 section ninety-two after the word "union" the words (Winding-up.)
- (x) by omitting from paragraph (b) of subsection one Sec. 102. of section one hundred and two the words "or a (Restricsmall loans society" and by inserting in lieu thereof tions on powers.) the words "society or a credit union";

Sec. 103. (Too few members.)

- (y) by inserting in subsections one and two of section one hundred and three after the word "union" wherever occurring the words "of associations".
- (2) Any small loans society registered under the Cooperation Act, 1923-1958, at the commencement of this Act shall be deemed to be a credit union registered under that Act, as amended by this Act.

Further amendment of Act No. 1, 1924.

3. (1) The Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts, is further amended—

Sec. 8. (Powers.)

(a) by inserting at the end of paragraph (d) of subsection one of section eight the words "or against any prescribed products to be delivered to the society";

Sec. 16. (Objects.)

- (b) (i) by inserting at the end of subsection one of section sixteen the following new paragraph:—
 - (d) to make loans to its members upon the security of any tenure under the Crown Lands Consolidation Act, 1913, as amended by subsequent Acts, the Closer Settlement Acts or the Returned Soldiers Settlement Act, 1916, as amended by subsequent Acts.
 - (ii) by inserting next after subsection two of the same section the following new subsection:—
 - (2A) A building society shall not make any loan on the security of any tenure (not being a leasehold) referred to in paragraph (d) of subsection one of this section without the approval of the Co-operative Building Advisory Committee constituted under this Act.

Sec. 17A.
(Treasurer may undertake to indemnify building societies against loss in certain circum-stances.)

(c) (i) by omitting from paragraph (c) of subsection (1A) of section 17A the words "two hundred and seventy-five pounds" and by inserting in lieu thereof the words "one hundred and sixty pounds";

- (ii) by omitting from the same paragraph the words "two thousand five hundred pounds" and by inserting in lieu thereof the words "three thousand and twenty-five pounds";
- (iii) by omitting from the same subsection the words "ninety per centum" wherever occurring and by inserting in lieu thereof the words "ninety-five per centum";
- (d) by omitting from subsection seven of section forty-Sec. 46. six the words "appoints any member to represent the (Members.) society in respect of a share held by it in any other society, the person" and by inserting in lieu thereof the words "or other corporate body appoints any member or person to represent it in respect of a share held in any society, the member or person";
- (e) (i) by inserting at the end of subsection ten of Sec. 47. section forty-seven the following new para- (Shares.) graphs:—
 - (b) Where a member of any society specified in the Second Schedule to this Act, whose name includes the words "building society", holds shares in excess of the number permitted by or under this subsection, that member shall for every day during which the society carries on business be liable to a penalty not exceeding twenty-five pounds.
 - (c) Nothing in this subsection shall prevent a member, being a society, from holding, with the approval of the Advisory Council constituted under this Act, shares in another society in excess of the number of shares that it would, but for this paragraph, be permitted to hold by or under this subsection.
 - (ii) by inserting at the end of the same section the following new subsection:—
 - (18) (a) Subject to this subsection, the board of a society with limited liability may if authorised by the rules of the society declare to

be forfeited the shares of any member who has not for a period of three years had any dealings with the society and whose whereabouts are unknown to the board. Any such declaration shall have effect according to its tenor.

- (b) No share of a member of a society shall be forfeited under this subsection where the total amount paid to that society in respect of any shares held by that member exceeds fifty pounds.
- (c) The society shall not declare the shares of any member to be forfeited unless it has given, in a newspaper circulating in the district in which the registered office of the society is situated, at least one month's notice of its intention to do so.
- (d) Upon forfeiture of any shares under this subsection there shall become payable to the member whose shares are forfeited all moneys subscribed by the member in respect of the forfeited shares.

Sec. 61. (Use of word cooperative.)

- (f) by inserting at the end of subsection four of section sixty-one the following new paragraph:—
 - (b) (i) The companies specified in the Fourth Schedule to this Act shall be exempt from the provisions of subsection one of this section.

This subparagraph shall cease to have effect with respect to any company so specified if the Governor, upon a report of the Advisory Council that the company is not in its opinion trading or carrying on business for the purpose of promoting the economic interests of its members substantially in accordance with co-operative principles, determines that the company shall not be exempt from the provisions of subsection one of this section and the registrar sends notice of that determination to the company.

- (ii) At least sixty days before making any alteration to its memorandum or articles of association a company specified in the Fourth Schedule to this Act shall file with the registrar a copy of the proposed alteration.
- (g) by omitting subsection two of section sixty-five;

Sec. 65. (Borrowing powers.)

- (h) by omitting from subsection (3A) of section sixty-Sec. 68. eight the words "the paid-up capital of the society" (Investand by inserting in lieu thereof the words "the sum of the paid-up capital of the society and any sums transferred to any reserve or to any reserve fund created out of any surplus referred to in section forty-eight or forty-nine of this Act";
- (i) by inserting next after subsection (2A) of section Sec. 76. seventy-six the following new subsection:— (Returns.)
 - (2B) A building society shall in respect of any loan approved or made by it furnish to the registrar in the prescribed manner and within the prescribed time such returns as may be prescribed.
- (j) by omitting from subsection one of section eighty Sec. 80. the words "entitled under the rules to vote as may (Special be present in person or by proxy, where the rules resolution.) allow proxies" and by inserting in lieu thereof the words "as, being entitled so to do, vote in person or, where proxies are allowed, by proxy";
- (k) by omitting section eighty-one;

Sec. 81. (Model rules.)

- (1) (i) by inserting in paragraph (j) of subsection two Sec. 82. of section eighty-two after the word "call" the (Rules.) words "or in the circumstances mentioned in paragraph (a) of subsection eighteen of section forty-seven of this Act";
 - (ii) by inserting in subsection eight of the same section after the word "exceeding" the words "where a sum is prescribed by the rules of the society, the sum so prescribed, or where there is no sum so prescribed, the sum of";

(m)

Sec. 84. (Board of directors.)

- (m) (i) by omitting from paragraph (i) of subsection eleven of section eighty-four the words "if he has, except as provided in this section," and by inserting in lieu thereof the words "if, except as provided in this section, he has, or is a partner of, or in the employment of, or the employer of, any other person who has,";
 - (ii) by inserting in subsection twelve of the same section after the word "director" where firstly occurring the words ", or other person referred to in that paragraph, as the case may be,";
 - (iii) by inserting in the same subsection after the word "director" where secondly, thirdly, fourthly and fifthly occurring the words ", or such other person,";
 - (iv) by inserting in paragraphs (d) and (f) of the same subsection after the word "director" wherever occurring the words ", or any such other person,";
 - (v) by inserting in paragraph (e) of the same subsection after the word "director's" the words ", or any such other person's,";
 - (vi) by inserting in subsection (12A) of the same section after the word "director" the words ", or other person referred to in that paragraph, as the case may be,";

Sec. 86. (Votes of nembers.)

- (n) by inserting next after subsection seven of section eighty-six the following new subsection:—
 - (7A) In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to an additional or casting vote.

Sec. 88. (Officers.)

(o) by inserting in subsection three of section eightyeight after the word "officer" the words "or person employed by a society";

- (p) by inserting next after subsection two of section one Sec. 101. hundred and one the following new subsection: (Defaults by society.)
 - (2A) If a society is guilty of an offence under paragraph (d) of subsection one, or under subsection two, of this section, it shall, for every day after the offence is committed and until the notice, return or information, as the case may be, is transmitted or furnished, be liable to a penalty not exceeding five pounds.
- (q) by omitting from subsection three of section one Sec. 114. hundred and fourteen the word "Governor" and by (Advisory inserting in lieu thereof the word "Minister":
- (r) by inserting at the end of subsection one of section Sec. 117. one hundred and seventeen the words "whether or (Inspection not it is in the course of being wound up and in the by registrar.) case of a society that is being wound up, any minutes, books, records or documents kept by the liquidator in respect of the society";
- (s) by omitting from the Third Schedule the words and Sch. 3. figures "Sections 18, 52 and 54" and by inserting in lieu thereof the words and figures "Section 18, subsection (10) of section 47; sections 52 and 54; subsection (3) of section 65";
- (t) by inserting next after the Third Schedule the follow- New Sch. 4. ing new Schedule:—

FOURTH SCHEDULE.

Companies exempt from section 61 (1).

The Farmers and Settlers Co-operative Insurance Company of Australia Limited.

The Farmers and Graziers' Co-operative Grain Insurance and Agency Company Limited.

The Producers and Citizens' Co-operative Assurance Company Limited.

(2) (a) The amendment made by paragraph (k) of subsection one of this section shall commence upon a day to be appointed by the Governor and notified by proclamation in the Gazette.

- (b) Where immediately before the day appointed pursuant to paragraph (a) of this subsection, any model rule made under section eighty-one of the Co-operation Act, 1923-1958, formed or was deemed to form part of the rules of a society, that model rule shall continue to form or to be deemed to form part of those rules and may be altered, added to or rescinded as if it were a rule of the society made under that Act, as amended by this Act.
- (3) Paragraph (b) of subsection ten of section forty-seven of the Co-operation Act, 1923-1960, as inserted by paragraph (e) of subsection one of this section, and the amendment made by paragraph (s) of that subsection shall commence upon the expiration of a period of three months from the date on which Her Majesty's assent to this Act is signified.

Variation of certain agreements.

- 4. (1) This section shall apply to—
 - (a) every agreement which was entered into before the commencement of this Act, between a building society duly registered under the Co-operation, Community Settlement, and Credit Act, 1923, as amended by subsequent Acts, and the Treasurer, and which is in force at such commencement, whereby in consideration of the execution by the Treasurer pursuant to the Government Guarantees Act, 1934-1948, of a guarantee in favour of the bank society or body of persons mentioned in the agreement (which bank society or body of persons is in this section referred to as "the lender") the building society undertakes to observe the covenants, stipulations and conditions specified in the agreement; and
 - (b) every agreement, being an equitable mortgage, which was entered into before the commencement of this Act between a building society duly registered as aforesaid and the Rural Bank of New South Wales (in this section referred to as "the lender") whereby

whereby in consideration of loans made by the said bank to the building society, the building society undertakes to observe the covenants, stipulations and conditions specified in the agreement.

In paragraph (a) of this subsection, "body of persons" includes the Government Insurance Office of New South Wales.

- (2) Notwithstanding anything contained in any agreement to which this section applies, the agreement shall not operate to preclude the building society which is a party thereto from making, out of moneys borrowed by it from the lender, advances to a member of the society to the extent and in the circumstances contemplated by section 17A of the Co-operation Act, 1923-1958, as amended by this Act, and authorised by the rules of the society.
- (3) Where any agreement referred to in paragraph (a) of subsection one of this section contains a covenant to the effect that the society that is a party to the agreement will not in any case out of money borrowed by it from the lender advance to any one member of the society any greater amount than the amount specified in a notice in writing by the Treasurer to the society as the maximum amount which at the date of the advance is permitted to be advanced to any one member, nothing in that covenant shall preclude the society from advancing out of money borrowed by it from the lender to any one member of the society an amount which when reduced by the value of the share capital of the member or the sum of one hundred and sixty pounds, whichever is the less, does not exceed the sum of three thousand and twenty-five pounds.

In the name and on behalf of Her Majesty I assent to this Act.

E. W. WOODWARD, *Governor*.

Government House, Sydney, 30th March, 1960.

