

Co-operation (Amendment) Bill

EXPLANATORY MEMORANDUM

Clause 1 states that the purpose of the Act is to make amendments to the *Co-operation Act 1958* (“the Principal Act”).

Clause 2 states when the Act is to come into operation.

Clause 3 amends the definition of “credit society” and “society” to ensure that the Act applies to credit societies and societies registered under the *Co-operation Act 1953* and the *Co-operation Act 1958*. A new section is inserted to ensure that any society, credit society, foreign society or other person does not incur any additional liabilities because of the amendment to these definitions where they believed that the Principal Act did not apply to the society, credit society, foreign society in question.

Clause 4 inserts a definition of a subsidiary of a society or credit society into the Principal Act, gives the Reserve Board the power to request production of the books of the subsidiary of a credit society, a foreign credit society or an association or federation of credit societies, gives the Registrar of Co-operative Societies the power to inspect the books of such a subsidiary in ascertaining whether a credit society, foreign credit society or an association or federation of societies has complied with the Act or its rules and gives the Registrar the power to investigate the affairs of such a subsidiary.

Clause 5 amends the Principal Act by giving the Reserve Board the power to require subsidiaries of credit societies, associations and federations of credit societies and their subsidiaries to give reports to the Reserve Board.

Clause 6 amends the Principal Act by changing the method by which the Reserve Board sets the annual contributions a credit society must make to the Reserve Fund.

Clause 7 extends the circumstances in which the Reserve Board can make a credit society subject to its direction to where a credit society does not comply with the requirements of section 60A of the Principal Act about its reserve fund. An amendment is also made to correct a drafting error in section 30 (1) (a) of the Principal Act.

Clause 8 amends the Principal Act to allow the Reserve Board to disclose information or produce documents about a credit society to certain authorities and to certain people.

Clause 9 amends the Principal Act to allow the Registrar to register a new society subject to certain conditions. This amendment ensures that the Registrar has the same powers in registering foreign societies as it has in registering new Victorian societies.

Clause 10 amends the Principal Act to ensure that where the Reserve Board directs a credit society to make a minimum allowance for its contingent liabilities, that the credit society makes that allowance and discloses it in the body of its accounts.

Clause 11 amends the merger provisions of the Principal Act by allowing Victorian societies registered under the Act to merge by transferring assets, liabilities and undertakings to an existing society and by making consequential amendments about how such a transfer is to be effected.

Clause 12 amends Division 2 of Part 12 of the Act which sets out the circumstances in which the Registrar can inquire into the affairs of a society so that the Division applies to the investigation of foreign societies.

Clause 13 amends the Principal Act by changing the procedure by which a foreign society can be registered under the Act. The new procedure requires a foreign society to

apply to be registered before it starts to carry on business in Victoria, gives the Registrar the power to determine how an application for registration can be made and gives the Registrar the power to impose conditions on the registration of a foreign society.

Clause 14 amends the Principal Act to allow the Registrar to disclose information about and documents which relate to societies registered under the Act to certain authorities and certain people. It also allows the Registrar to disclose information and documents where the Registrar believes that it is in the public interest to do so.

Clause 15 makes certain minor amendments to the Principal Act.