

EXPLANATORY STATEMENT

AUSTRALIAN CAPITAL TERRITORY

CO-OPERATIVE SOCIETIES (AMENDMENT) ORDINANCE (NO 4) 1987

ORDINANCE NO. 68 OF 1987

ISSUED BY AUTHORITY OF MINISTER OF STATE FOR THE ARTS, SPORT, THE ENVIRONMENT, TOURISM AND TERRITORIES.

The Co-operative Societies Ordinance 1939 (the Principal Ordinance) regulates the activities of co-operative societies in the ACT.

The Principal Ordinance provides that a building society must have at least fifty per cent (or such other percentage as prescribed) of its assets associated with its primary object.

The Co-operative Societies (Amendment) Ordinance (No 4) 1987 (the amendment Ordinance) amends the Principal Ordinance to provide that, for the period from 11 September 1987 to 30 June 1988, a building society must have at least forty-six per cent of the value of its assets associated with its primary object. At the end of that period, fifty per cent again becomes the relevant percentage.

The need for the amendment Ordinance arises out of the transfer of the engagements of the P.A. Credit Union, which was in financial difficulties, to the Canberra Building Society with the object of protecting the funds of the members of the P.A. Credit Union.

The Principal Ordinance was amended by the Co-operative Societies (Amendment) Ordinance (No 3) 1987 to facilitate the transfer of engagements. However, since the transfer, the Canberra Building Society has been unable to meet the statutory percentage of its assets which must be associated with its primary object.

The amendment Ordinance allows the Canberra Building Society, from the date of the transfer of engagements on 11 September 1987 until 30 June 1988, to adjust its operations so as to comply with the statutory percentage of fifty per cent.

The details of the amendment Ordinance are as follows:

Section 1 cites the short title of the Ordinance.

Section 2 deals with the date on which the Ordinance is deemed to have come into effect.

Section 3 amends section 14AB of the Principal Ordinance by inserting a new subsection 5 which states that, for the period from 11 September 1987 to 30 June 1988, the 'prescribed percentage' of a building society's assets not less than which it must have associated with its primary object is forty-six per cent.