

AUSTRALIAN CAPITAL TERRITORY

CO-OPERATIVE SOCIETIES (AMENDMENT) ORDINANCE (NO. 2) 1986

Ordinance No. 10 1986

EXPLANATORY STATEMENT

The Co-operative Societies Ordinance 1939 (the Principal Ordinance) regulates the activities of co-operative societies in the Australian Capital Territory. The Co-operative Societies (Amendment) Ordinance (No. 2) 1986 alters the conditions upon which registered credit societies may make loans. These changes relate to security requirements, maximum amounts and repayment periods. Those conditions were specified in the Principal Ordinance, but in future they will be set by regulation in order to increase the responsiveness of credit societies to changes in the financial market.

The effect of each of the provisions in the proposed Ordinance is outlined in the attachment.

ATTACHMENT

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Sections 1 and 2 are interpretation provisions.

Section 3 amends section 14G of the Principal Ordinance to permit the setting of loan conditions by regulation. The regulations may provide that either a maximum amount or a maximum proportion of the assets of a credit society may be loaned to a member. Provision is made for the setting of prescribed maximum amounts for unsecured loans, loans secured against assets other than land and loans secured by way of mortgage over land.

Section 4 provides for the approval, subject to such conditions as may be imposed by the Registrar of Co-operative Societies, of persons employed or instructed by registered credit societies to value property tendered as security. Failure to comply with any condition imposed by the Registrar will attract a penalty of \$40.