

AUSTRALIAN CAPITAL TERRITORY

CO-OPERATIVE SOCIETIES (AMENDMENT) ORDINANCE 1982

EXPLANATORY STATEMENT

89 of 1982

The Co-operative Societies (Amendment) Ordinance 1982 amends the Co-operative Societies Ordinance 1939 to free most co-operative trading societies from regulation in respect of a number of aspects of their internal management. Having regard to the nature and scale of trading societies' activities in the ACT, continuation of the present controls is no longer considered to be justified. By contrast, the public interest in preserving stability in the money markets of the Territory precludes any reduction in the level of oversight over co-operative societies that are engaged in the provision of loan finance. Accordingly, these exemptions from particular provisions of the Ordinance which are now granted to the trading societies do not apply to co-operative credit societies and building societies, or to a small number of trading societies which have been established to provide services to credit and building societies.

Section 1 cites the short title of the Ordinance as the Co-operative Societies (Amendment) Ordinance 1982.

Section 2 provides that "Principal Ordinance" means the Co-operative Societies Ordinance 1939.

Section 3 of the Ordinance repeals section 14 of the Principal Ordinance, which is now superfluous, and substitutes a new section 14 by which trading societies other than prescribed trading societies are excepted from the operation of sections 22A, 35, 36, 37, 46 and 47 of the Ordinance. These sections respectively impose requirements on co-operative societies in respect of the keeping of reserve funds, borrowing and investment of moneys, charges payable by members and the imposition of fines on members.

Section 4 of the Ordinance prohibits trading societies that have been freed from limitations on the types of investments they may make from receiving deposits of funds from other co-operative societies.

Under section 5, trading societies other than prescribed trading societies are made independent of the Registrar of Co-operative Societies in the determination of disputes that may arise between the societies and their members.

Regulations have been made under the Ordinance specifying three co-operative trading societies as prescribed trading societies as referred to in the new or amended provisions.

Ord. No. 54/82