

## **CO-OPERATION (AMENDMENT) ACT.**

**Act No. 2, 1965.**

**Elizabeth II, No. 2, 1965** An Act to make further provision for the indemnification of building societies against loss; to impose an age limit for directors of co-operative societies; for these and other purposes to amend the Co-operation Act, 1923-1964; and for purposes connected therewith. [Assented to, 28th September, 1965.]

**BE**

## Co-operation (Amendment) Act.

109

**B**E it enacted by the Queen's Most Excellent Majesty, by No. 2, 1965  
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:—

1. (1) This Act may be cited as the "Co-operation Short title  
and  
citation.  
(Amendment) Act, 1965".

(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, 1923-1965.

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

(a) by omitting paragraph (c) of subsection (1A) of Sec. 17A.  
(Treasurer  
may under-  
take to  
section 17A and by inserting in lieu thereof the indemnify  
building  
societies  
against  
loss in  
certain cir-  
cumstances.)  
following paragraph:—

(c) the amount proposed to be lent reduced by indemnify  
building  
societies  
against  
loss in  
certain cir-  
cumstances.)  
the value of the share capital of the mem-  
ber or the sum of two hundred and twenty-  
five pounds, whichever is the less, does not  
exceed the sum of four thousand two  
hundred and fifty pounds; and

(b) by inserting at the end of subsection two of section Sec. 34.  
(Associa-  
tion.)  
thirty-four the following new paragraph:—

(c) to promote co-operation for the improve-  
ment of conditions of rural or urban life,  
and encourage and assist in the formation  
of co-operative societies.

(c) (i) by omitting from subsection one of section 44A Sec. 44A.  
(Any com-  
pany may  
apply to be  
registered.)  
the words "provided that before the applica-  
tion is granted the company shall make such  
alterations in its memorandum and articles of  
association as in the opinion of the registrar  
are necessary to bring them into complete  
conformity with the provisions of this Act  
applicable to societies formed and registered  
thereunder";

(ii)

**Co-operation (Amendment) Act.****No. 2, 1965**

(ii) by omitting from subsection two of the same section the words "and ten of section forty-four of this Act shall" and by inserting in lieu thereof the words "ten, and eleven of section forty-four of this Act shall, subject to this section,";

(iii) by inserting at the end of the same section the following new subsection :—

(3) If the registrar is satisfied—

(a) that the company has complied with the provisions of this Act and the regulations;

(b) that the memorandum and articles of association of the company have been brought into complete conformity with the provisions of this Act applicable to societies formed and registered thereunder;

(c) that there are reasonable grounds for believing that the company, if registered as a society under this Act, will be able to carry out its objects successfully; and

(d) that there is no reasonable cause why the company should not be registered as a society under this Act,

the registrar shall register the company as a society under this Act and shall issue a certificate that the society is incorporated under this Act.

**Sec. 84.**

(Board of directors.)

cf. Act No. 71, 1961, s. 121.

(d) by inserting next after subsection eleven of section eighty-four the following new subsection :—

(11A) (a) Subject to the provisions of this subsection but notwithstanding the rules of a society, no person of or over the age of seventy-two years shall be appointed a director of a society.

(b)

**Co-operation (Amendment) Act.**

11

(b) The office of a director of a society shall become vacant at the conclusion of the annual general meeting commencing next after he attains the age of seventy-two years or, if he has attained that age before the commencement of this subsection, at the conclusion of the annual general meeting commencing next after such commencement. No. 2, 1965

(c) Any act done by a person as a director shall be valid notwithstanding that it is afterwards discovered that his office had become vacant by virtue of paragraph (b) of this subsection.

(d) Where the office of a director has become vacant by virtue of paragraph (b) of this subsection no provision in the rules of the society for the automatic re-appointment of retiring directors in default of another appointment shall apply in relation to that director.

(e) If any such vacancy has not been filled at the meeting at which the office became vacant the office may be filled as a casual vacancy.

(f) Notwithstanding anything in this subsection, a person of or over the age of seventy-two years may be elected as a director of a society to hold office until the next annual general meeting of the society after his election, if he is elected by a majority of not less than two-thirds of such members of the society as, being entitled so to do, vote at the election.

(g) Nothing in this subsection shall limit or affect the operation of any provision of the rules of a society preventing any person from being elected or appointed as a director or requiring any director to vacate his office at any age less than seventy-two years.

- (e) (i) by omitting from paragraph (b) of subsection one of section one hundred and two the words "or a credit union"; Sec. 102.  
(Restrictions on powers.)
- (ii)

**Co-operation (Amendment) Act.****No. 2, 1965**  

---

(ii) by inserting next after the same paragraph the following new paragraph :—

(bi) in the case of a credit union, if it makes a loan to a member who does not reside in the district, or is not of a class, specified in the rules of the credit union ;

(2) Paragraph (d) of subsection one of this section shall commence upon the expiration of six months after the date on which the assent of Her Majesty to this Act is signified.

Variation  
of certain  
agreements  
and rules.**3. (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, 1934-1964, 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 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.

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

(2)

(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, 1923-1964, as amended by this Act, and authorised by the rules of the society. No. 2, 1965

(3) Where any agreement to which this section applies 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 such agreement or 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 two hundred and twenty-five pounds, whichever is the less, does not exceed the sum of four thousand two hundred and fifty pounds.

(4) Notwithstanding the rules of any society which is a party to an agreement to which this section applies such society may—

- (a) make an advance to any member of the society up to the maximum amount which it is permitted to advance to such member under such agreement as varied by subsection three of this section ; and
- (b) issue shares to any member of the society of such value as will enable the member to obtain from the society an advance up to such maximum amount.