



Royal Blind Society (Corporate Conversion) Bill.

Second Reading

Mr BRYCE GAUDRY (Newcastle—Parliamentary Secretary) [10.50 a.m.], on behalf of Mr Bob Debus: I move:

That this bill be now read a second time.

The purpose of the Royal Blind Society (Corporate Conversion) Bill is to amend the Royal Blind Society of New South Wales Act 1901 to authorise the Royal Blind Society of New South Wales to apply to be registered as a public company limited by guarantee under the Commonwealth Corporations Act 2001 and to alter its membership structure. The Royal Blind Society began operations as the Sydney Industrial Blind Institution in 1879. The institution was incorporated by an Act of the New South Wales Parliament in 1901 and renamed the Royal Sydney Industrial Blind Institution in 1946. It became the Royal Blind Society of New South Wales in 1952. Today the Royal Blind Society is the major service provider in New South Wales and the Australian Capital Territory for children and adults who are blind or vision impaired. It is a not-for-profit organisation that relies heavily on donations from the community and the support of volunteers.

In 2002 the Royal Blind Society entered into negotiations with the Royal Victorian Institute for the Blind and Vision Australia Foundation to form one national organisation catering to the needs of children and adults who are blind or vision impaired. The Royal Blind Society's present status as a body corporate constituted under a New South Wales Act poses legal difficulties for its participation in the national body. The Royal Blind Society Council considers that converting to a Corporations Act company will better meet the needs of the organisation. Therefore, the solicitors for the Royal Blind Society wrote to the Government requesting amendments to the Royal Blind Society of New South Wales Act 1901 to assist with the conversion process. The Royal Blind Society called a special general meeting of members on 17 July to consider resolutions to convert the Royal Blind Society to a public company limited by guarantee registered under the Corporations Act 2001 and to change its membership base.

The meeting was well advertised in the *Australian* and the *Daily Telegraph*, on 2RPH radio and on the Royal Blind Society's web site. An explanatory statement, draft constitution and issues paper were also available to members on request. Information was also mailed out to members and persons who have requested to be kept informed about the Royal Blind Society and to other stakeholders. At the general meeting, Royal Blind Society members overwhelmingly supported the proposal. A body corporate constituted under a New South Wales Act can be registered as a company under the Corporations Act using the provisions of part 5B.1 of that Act. This bill sets out the process for the Royal Blind Society to convert to a public company limited by guarantee under the Corporations Act. The Australian Gas-Light Company [AGL] went through a similar conversion process in 2002 using the AGL Corporate Conversion Act. The Royal Blind Society will follow a similar but less complex process to AGL as, unlike AGL, it is already a body corporate. Secondly, as AGL had operations throughout mainland Australia and in other countries across the energy sector, there was a need for compliance provisions to ensure that no investor could take unfair advantage of the corporate conversion process.

The Royal Blind Society conversion process involves members of the Royal Blind Society passing a registration resolution that the society be registered as a public company limited by guarantee under the Corporations Act, and members approving a new constitution. Once the resolution is passed, the Royal Blind Society can apply to the Australian Securities and Investments Commission to be registered as a public company limited by guarantee. The bill also authorises the Royal Blind Society to continue to use its existing name after it is registered. This is necessary as a Corporations Act company is normally required to include the word "limited" in its name and is normally not allowed to use the word "royal" in its name. The bill also makes a number of amendments to the Royal Blind Society of New South Wales Act 1901.

The objects of the society are set out in the Act. They limit the society's activities and do not specifically allow the society to undertake commercial ventures and other arrangements when providing assistance to blind and vision-impaired people. The change to the objects clause made by the bill will facilitate the society's participation in the national association. The Act currently provides that there are three classes of member: honorary life members, life members and ordinary members. A person becomes an honorary life member if the council of management of the Royal Blind Society confers such membership. A person becomes a life member by making a donation of at least \$1,000. A person becomes an ordinary member until 30 June of the next year following the date of the donation or the conclusion of the next annual general meeting following the date of the donation, whichever is the later, simply by donating at least \$10 but less than \$1,000.

The Royal Blind Society believes that the majority of its donors are not aware that they become members of the organisation when they donate funds to the society. The bill will provide that the members of the society will be the current members of the council as well as anyone over 18 years of age who is admitted to membership after lodging an

application form and paying a \$10 annual membership fee. The bill will allow special arrangements to be made for the giving of notice of the meeting that will consider the registration resolution. It will enable a meeting to be held without the usual advertisements, if every member who is entitled to vote gives written approval for the meeting being held without advertising, before the meeting is held. A number of miscellaneous provisions have been included in the bill to facilitate the registration process such as giving relief from State tax for the registration process and giving a regulation-making power. The bill continues the longstanding Government policy to assist charitable organisations by sponsoring legislation in relation to their organisation and affairs. I commend the bill to the House.

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