

*This PUBLIC BILL originated in the LEGISLATIVE ASSEMBLY, and, having this day passed, is now ready for presentation to the LEGISLATIVE COUNCIL for its concurrence.*

I. P. K. VIDLER,  
*Clerk of the Legislative Assembly.*

*Legislative Assembly Chamber,  
Sydney, 25 August, 1971.*

## New South Wales



ANNO VICESIMO

**ELIZABETHÆ II REGINÆ**

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**Act No.       , 1971.**

An Act to make further provision with respect to the granting of loans by a credit union; to remove in certain circumstances the limitation on borrowing imposed on certain credit unions; to permit certain liens and charges to be included in the liquid funds of a credit union; to restrain certain persons from acting as directors of a credit union; for these and other purposes to amend the Credit Union Act, 1969; and for purposes connected therewith.

BE

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*Credit Union (Amendment).*

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**B**E it enacted by the Queen's Most Excellent Majesty, by  
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  
5 follows :—

1. This Act may be cited as the "Credit Union Short title.  
(Amendment) Act, 1971".

2. The Credit Union Act, 1969, is amended—

Amendment  
of Act No.  
8, 1969.

10 (a) (i) by omitting subsection three of section six and  
by inserting in lieu thereof the following (Loans.)  
subsection :—

15 (3) Application for a loan from a credit  
union shall be in or to the effect of a form  
approved by that credit union or where a form  
is prescribed in or to the effect of the  
prescribed form.

(ii) by inserting next after subsection four of the  
same section the following new subsection :—

20 (4A) (a) Where the rules of a credit union  
so provide, the Board may, by instrument in  
writing, delegate any or all of its powers under  
subsection four of this section to such person  
or body of persons as may be prescribed by  
the regulations.

25 (b) The exercise of any delegation  
under this subsection shall be subject to and in  
accordance with such limits and conditions as  
may be specified in the instrument of delega-  
tion and such conditions as may be prescribed  
30 by the regulations.

(c)

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*Credit Union (Amendment).*

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(c) Notwithstanding any delegation made under this section the Board may continue to exercise or perform all or any of the powers so delegated.

5 (d) Any act or thing done or  
suffered by the delegate when acting in the  
exercise of any such delegation, and within  
the terms of the delegation, shall be as  
effective as if the act or thing had been done  
10 or suffered by the Board.

(iii) by inserting in paragraph (a) of subsection  
five of the same section after the word "mem-  
ber" the words " , where the loan is approved  
in an amount or upon terms and conditions  
15 otherwise than as sought by the member,";

(iv) by omitting from subsection seven of the same  
section the words "In this subsection 'pre-  
scribed security' means a mortgage and  
includes, where some other form of security  
is prescribed by the regulations for the  
20 purposes of this subsection, the form of  
security so prescribed.";

(v) by omitting from paragraph (a) of the same  
subsection the words "unless the rules applic-  
able in respect thereof require repayment of  
the indebtedness of a member to be secured  
by prescribed security" and by inserting in  
lieu thereof the words "where the rules applic-  
able in respect thereof do not require repay-  
ment of the indebtedness of a member or the  
part of such indebtedness required by the rules  
of the credit union to be secured in the manner  
referred to in subsection (7A) of this section";  
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30

(vi)

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*Credit Union (Amendment).*

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5 (vi) by omitting from paragraph (b) of the same subsection the words "to be secured by prescribed security" and by inserting in lieu thereof the words "or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section";

10 (vii) by omitting from paragraph (c) of the same subsection the words "may, where the rules applicable in respect thereof require repayment of the indebtedness of a member to be secured by prescribed security" and by inserting in lieu thereof the words "except as provided by paragraph (d) of this subsection shall, where the rules applicable in respect thereof require repayment of the indebtedness of a member or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section";

15  
20  
25 (viii) by omitting from paragraph (d) of the same subsection the words "may, where the terms and conditions applicable in respect thereof are specified in special rules, be an amount not exceeding four thousand dollars" and by inserting in lieu thereof the following words :—

may, where—

30 (i) the rules applicable in respect thereof require repayment of the indebtedness of a member or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section ;  
35 and

(ii)

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*Credit Union (Amendment).*

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(ii) the terms and conditions in respect thereof are specified in special rules,

be an amount not exceeding five thousand dollars;

(ix) by inserting next after the same subsection the following new subsection :—

(7A) In this subsection “prescribed security” means a mortgage and includes, where some other form of security is prescribed by the regulations for the purposes of this subsection, the form of security so prescribed.

The rules of a credit union may require that—

(a) the indebtedness of a member; or

(b) such part of the indebtedness of a member as exceeds—

(i) the amount of the member’s paid-up share capital in the credit union;

(ii) the amount of the member’s deposits with the credit union; and

(iii) an amount of one thousand dollars or where some other amount is prescribed by the regulations for the purposes of paragraph (a) of subsection seven of this section, the amount so prescribed,

be secured by prescribed security.

(b)

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*Credit Union (Amendment).*

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5 (b) by inserting in the definition of "liquid funds" in Sec. 7.  
subsection one of section seven after the word (Liquidity.)  
"charge" the words "other than a lien or charge  
given by a credit union to an association of which  
it is a member";

(c) by omitting subsection five of section twelve and by Sec. 12.  
inserting in lieu thereof the following subsection :— (Raising  
loans and  
receipt of  
money on  
deposit.)

(5) This subsection applies to and in respect  
of—

10 (a) a credit union being—

(i) a credit union that, immediately  
before the commencement of this  
Act, was registered under the Co-  
operation Acts and was first so  
15 registered not earlier than four years  
before the commencement of the  
Credit Union (Amendment) Act,  
1971; or

20 (ii) a credit union registered under this  
Act (section twenty-two excepted)  
before or after the commencement  
of the Credit Union (Amendment)  
Act, 1971,

25 where such a credit union requires to raise  
a loan of an amount in excess of that pre-  
scribed by subsection four of this section  
for the purpose of its development following  
its registration;

30 (b) any credit union whose membership has  
not, in the opinion of the registrar, reached  
its potential, where such a credit union  
requires to raise a loan of an amount in  
excess of the amount prescribed by sub-  
35 section four of this section for the purpose  
of increasing its membership;

(c)

*Credit Union (Amendment).*

5 (c) any credit union that requires to raise a loan of an amount in excess of the amount prescribed by subsection four of this section following an extension of the class or classes of persons eligible to receive a loan from the credit union; or

10 (d) any credit union that requires to raise a loan of an amount in excess of the amount prescribed by subsection four of this section for the acquisition of real property necessary for the carrying out of any of the objects of the credit union.

15 Where the registrar so approves a credit union to which this subsection applies may, in accordance with such limits, terms and conditions as the registrar may impose, raise a loan of an amount in excess of that prescribed by subsection four of this section.

20 The registrar shall not grant such an approval in respect of a credit union to which paragraph (a) of this subsection applies after the expiration of the period of four years next succeeding the day on which the credit union was first registered.

25 (d) by omitting from section sixteen the words "twenty-one years" and by inserting in lieu thereof the words "eighteen years"; Sec. 16. (Depositor under age of 18 years.)

30 (e) by omitting from subsection one of section twenty the words "adult persons" and by inserting in lieu thereof the words "persons of or above the age of eighteen years"; Sec. 20. (Formation.)

(f) (i) by omitting from subsection one of section forty-one the words "twenty-one years" and by inserting in lieu thereof the words "eighteen years"; Sec. 41. (Minors as members.)

(ii)

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*Credit Union (Amendment).*

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(ii) by omitting from subsection two of the same section the words "or to be one of the persons by whom a credit union may be formed";

5 (g) by inserting next after section fifty-five the following <sup>New sec. 55A.</sup>  
new section :—

10 55A. (1) A person who, being an undischarged bankrupt acts as a director of, or directly or indirectly takes part in or is concerned in the management of a credit union, or of an association, except with the leave of the Supreme Court shall be guilty of an offence against this Act and, upon summary conviction, liable to a penalty of one thousand dollars or to imprisonment for a period of six months or to both such penalty and imprisonment.

Power to restrain certain persons from managing credit unions.

(2) Where a person is convicted whether within or without the State—

20 (a) on indictment of any offence in connection with the promotion, formation or management of a credit union, an association or a company or other corporation;

(b) of an offence involving fraud or dishonesty punishable on conviction with imprisonment for three months or more;

25 (c) of any offence and sentenced to any period of imprisonment without the option of a fine; or

(d)



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*Credit Union (Amendment).*

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5 (d) of an offence under section one hundred and twenty-four or under section three hundred and three or under any other provision of the Companies Act, 1961, that may be prescribed,

10 and that person, within a period of five years after his conviction, or if he is sentenced to imprisonment, after his release from prison, without the leave of the Supreme Court is a director or promoter of or is in any way whether directly or indirectly concerned or takes part in the management of a credit union or of an association he shall be guilty of an offence against this Act and, upon  
15 summary conviction, liable to a penalty of one thousand dollars or to imprisonment for a period of six months or to both such penalty and imprisonment.

20 (3) A person intending to apply for the leave of the Court under this section shall give to the Minister not less than ten days' notice of his intention so to apply.

25 (4) On the hearing of any application under this section the Minister may be represented at the hearing of and may oppose the granting of the application.

30 **3.** An approval to raise a loan in excess of the amount prescribed in subsection four of section twelve of the Credit Union Act, 1969, granted by the registrar under the provisions of subsection five of section twelve of that Act as in force immediately prior to the commencement of paragraph (c) of section two of this Act (hereinafter referred to as the repealed provisions) shall continue in force until the expiration of the period referred to in the repealed provisions as if the amendments made by paragraph (c) of section two of this Act had  
35 not been made. Operation of repealed provisions.

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*Credit Union (Amendment).*

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4. The amendments made by subparagraphs (i) and (ii) of paragraph (a) of section two of this Act shall commence upon a day to be appointed by the Governor and notified by proclamation published in the Gazette. <sup>Commence-</sup><sub>ment.</sub>

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BY AUTHORITY

V. C. N. BLIGHT, GOVERNMENT PRINTER, NEW SOUTH WALES—1971

[10c]

No. , 1971.

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## A BILL

To make further provision with respect to the granting of loans by a credit union; to remove in certain circumstances the limitation on borrowing imposed on certain credit unions; to permit certain liens and charges to be included in the liquid funds of a credit union; to restrain certain persons from acting as directors of a credit union; for these and other purposes to amend the Credit Union Act, 1969; and for purposes connected therewith.

[MR STEPHENS—19 August, 1971.]

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*Credit Union (Amendment).*

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and with the advice and consent of the Legislative  
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Parliament assembled, and by the authority of the same, as  
5 follows :—

1. This Act may be cited as the "Credit Union Short title.  
(Amendment) Act, 1971".

2. The Credit Union Act, 1969, is amended—

Amendment  
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10 (a) (i) by omitting subsection three of section six and  
by inserting in lieu thereof the following (Loans.)  
subsection :—

15 (3) Application for a loan from a credit  
union shall be in or to the effect of a form  
approved by that credit union or where a form  
is prescribed in or to the effect of the  
prescribed form.

(ii) by inserting next after subsection four of the  
same section the following new subsection :—

20 (4A) (a) Where the rules of a credit union  
so provide, the Board may, by instrument in  
writing, delegate any or all of its powers under  
subsection four of this section to such person  
or body of persons as may be prescribed by  
the regulations.

25 (b) The exercise of any delegation  
under this subsection shall be subject to and in  
accordance with such limits and conditions as  
may be specified in the instrument of delega-  
tion and such conditions as may be prescribed  
30 by the regulations.

(c)

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*Credit Union (Amendment).*

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(c) Notwithstanding any delegation made under this section the Board may continue to exercise or perform all or any of the powers so delegated.

5 (d) Any act or thing done or  
suffered by the delegate when acting in the  
exercise of any such delegation, and within  
the terms of the delegation, shall be as  
effective as if the act or thing had been done  
10 or suffered by the Board.

(iii) by inserting in paragraph (a) of subsection  
five of the same section after the word "mem-  
ber" the words " , where the loan is approved  
in an amount or upon terms and conditions  
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(iv) by omitting from subsection seven of the same  
section the words "In this subsection 'pre-  
scribed security' means a mortgage and  
includes, where some other form of security  
20 is prescribed by the regulations for the  
purposes of this subsection, the form of  
security so prescribed.";

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*Credit Union (Amendment).*

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5 (vi) by omitting from paragraph (b) of the same subsection the words "to be secured by prescribed security" and by inserting in lieu thereof the words "or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section";

10 (vii) by omitting from paragraph (c) of the same subsection the words "may, where the rules applicable in respect thereof require repayment of the indebtedness of a member to be secured by prescribed security" and by inserting in lieu thereof the words "except as provided by paragraph (d) of this subsection shall not, where the rules applicable in respect thereof require repayment of the indebtedness of a member or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section";

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may, where—

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*Credit Union (Amendment).*

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(ii) the terms and conditions in respect thereof are specified in special rules,

5 be an amount not exceeding five thousand dollars;

(ix) by inserting next after the same subsection the following new subsection :—

10 (7A) In this subsection “prescribed security” means a mortgage and includes, where some other form of security is prescribed by the regulations for the purposes of this subsection, the form of security so prescribed.

The rules of a credit union may require that—

15 (a) the indebtedness of a member; or

(b) such part of the indebtedness of a member as exceeds—

20 (i) the amount of the member’s paid-up share capital in the credit union;

(ii) the amount of the member’s deposits with the credit union; and

25 (iii) an amount of one thousand dollars or where some other amount is prescribed by the regulations for the purposes of paragraph (a) of subsection seven of this section, the amount so prescribed,

30 be secured by prescribed security.

(b)

*Credit Union (Amendment).*

5 (b) by inserting in the definition of "liquid funds" in Sec. 7. subsection one of section seven after the word (Liquidity.) "charge" the words "other than a lien or charge given by a credit union to an association of which it is a member";

(c) by omitting subsection five of section twelve and by inserting in lieu thereof the following subsection :— (Raising loans and receipt of money on deposit.)

(5) This subsection applies to and in respect of—

10 (a) a credit union being—

15 (i) a credit union that, immediately before the commencement of this Act, was registered under the Co-operation Acts and was first so registered not earlier than four years before the commencement of the Credit Union (Amendment) Act, 1971; or

20 (ii) a credit union registered under this Act (section twenty-two excepted) before or after the commencement of the Credit Union (Amendment) Act, 1971,

25 where such a credit union requires to raise a loan of an amount in excess of that prescribed by subsection four of this section for the purpose of its development following its registration;

30 (b) any credit union whose membership has not, in the opinion of the registrar, reached its potential, where such a credit union requires to raise a loan of an amount in excess of the amount prescribed by subsection four of this section for the purpose of increasing its membership;

35

(c)



*Credit Union (Amendment).*

5 (c) any credit union that requires to raise a loan of an amount in excess of the amount prescribed by subsection four of this section following an extension of the class or classes of persons eligible to receive a loan from the credit union ; or

10 (d) any credit union that requires to raise a loan of an amount in excess of the amount prescribed by subsection four of this section for the acquisition of real property necessary for the carrying out of any of the objects of the credit union.

15 Where the registrar so approves a credit union to which this subsection applies may, in accordance with such limits, terms and conditions as the registrar may impose, raise a loan of an amount in excess of that prescribed by subsection four of this section.

20 The registrar shall not grant such an approval in respect of a credit union to which paragraph (a) of this subsection applies after the expiration of the period of four years next succeeding the day on which the credit union was first registered.

25 (d) by omitting from section sixteen the words "twenty-one years" and by inserting in lieu thereof the words "eighteen years"; Sec. 16. (Depositor under age of 18 years.)

30 (e) by omitting from subsection one of section twenty the words "adult persons" and by inserting in lieu thereof the words "persons of or above the age of eighteen years"; Sec. 20. (Formation.)

(f) (i) by omitting from subsection one of section forty-one the words "twenty-one years" and by inserting in lieu thereof the words "eighteen years"; Sec. 41. (Minors as members.)

(ii)

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*Credit Union (Amendment).*

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(ii) by omitting from subsection two of the same section the words "or to be one of the persons by whom a credit union may be formed";

5 (g) by inserting next after section fifty-five the following New sec. 55A.  
new section :—

10 55A. (1) A person who, being an undischarged bankrupt acts as a director of, or directly or indirectly takes part in or is concerned in the management of a credit union, or of an association, except with the leave of the Supreme Court shall be guilty of an offence against this Act and, upon summary conviction, liable to a penalty of one thousand dollars or to imprisonment for a period of six months or to both such penalty and imprisonment.

Power to restrain certain persons from managing credit unions.

(2) Where a person is convicted whether within or without the State—

20 (a) on indictment of any offence in connection with the promotion, formation or management of a credit union, an association or a company or other corporation;

(b) of an offence involving fraud or dishonesty punishable on conviction with imprisonment for three months or more;

25 (c) of any offence and sentenced to any period of imprisonment without the option of a fine; or

(d)

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*Credit Union (Amendment).*

---

5 (d) of an offence under section one hundred and twenty-four or under section three hundred and three or under any other provision of the Companies Act, 1961, that may be prescribed,

10 and that person, within a period of five years after his conviction, or if he is sentenced to imprisonment, after his release from prison, without the leave of the Supreme Court is a director or promoter of or is in any way whether directly or indirectly concerned or takes part in the management of a credit union or of an association he shall be guilty of an offence against this Act and, upon  
15 summary conviction, liable to a penalty of one thousand dollars or to imprisonment for a period of six months or to both such penalty and imprisonment.

20 (3) A person intending to apply for the leave of the Court under this section shall give to the Minister not less than ten days' notice of his intention so to apply.

25 (4) On the hearing of any application under this section the Minister may be represented at the hearing of and may oppose the granting of the application.

3. An approval to raise a loan in excess of the amount prescribed in subsection four of section twelve of the Credit Union Act, 1969, granted by the registrar under the provisions of subsection five of section twelve of that Act as in force  
30 immediately prior to the commencement of paragraph (c) of section two of this Act (hereinafter referred to as the repealed provisions) shall continue in force until the expiration of the period referred to in the repealed provisions as if the amendments made by paragraph (c) of section two of this Act had  
35 not been made.

Operation  
of repealed  
provisions.

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*Credit Union (Amendment).*

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4. The amendments made by subparagraphs (i) and (ii) of paragraph (a) of section two of this Act shall commence upon a day to be appointed by the Governor and notified by proclamation published in the Gazette. <sup>Commence-</sup>  
<sup>ment.</sup>

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BY AUTHORITY

V. C. N. BLIGHT, GOVERNMENT PRINTER, NEW SOUTH WALES—1971

[10c]

## CREDIT UNION (AMENDMENT) BILL, 1971.

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### EXPLANATORY NOTE

THE objects of this Bill are—

- (a) to permit credit unions to approve the form of applications for loans in accordance with their separate requirements subject to a uniform form being prescribed by the regulations;
- (b) to remove the requirement to acknowledge loans where the loan is granted on the terms and conditions requested by the applicant;
- (c) to enable the board of a credit union to delegate its power of loan approvals to prescribed persons;
- (d) to enable credit unions to exempt a member from providing security in respect of such portion of a loan as is equal to the total of the member's share capital and deposits and an amount of one thousand dollars or such other amount as may be prescribed;
- (e) to exclude from the liabilities required to be deducted from the funds and investments of a credit union when determining the liquidity of that credit union liens and charges to an association of which the credit union is a member;
- (f) to extend the registrar's discretion to allow certain credit unions to raise more than twenty-five per centum of their share capital and deposits;
- (g) to restrain undischarged bankrupts and other persons from acting as directors of or being concerned in the management of credit unions or of associations;
- (h) to make other amendments of a minor or consequential nature.

CREDIT UNION (AMENDMENT) BILL, 1971

EXPLANATORY NOTE

The Credit Union (Amendment) Bill, 1971, is intended to amend the Credit Union Act, 1968, in order to give effect to the recommendations of the Committee on Credit Unions, which was set up in 1967. The Committee's report, published in 1969, contained several recommendations which are being implemented by this Bill. The main features of the Bill are as follows:

(a) To provide for the establishment of a Credit Union Commission to regulate and supervise credit unions and to act as an appellate authority for appeals against the orders of the Registrar of Credit Unions.

(b) To provide for the appointment of members to the Credit Union Commission by the Government and the State Governments.

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PROOF

No. , 1971.

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## A BILL

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[MR STEPHENS—19 August, 1971.]

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(c)



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*Credit Union (Amendment).*

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(c) Notwithstanding any delegation made under this section the Board may continue to exercise or perform all or any of the powers so delegated.

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able in respect thereof require repayment of  
the indebtedness of a member to be secured  
by prescribed security" and by inserting in  
lieu thereof the words "where the rules applic-  
able in respect thereof do not require repay-  
ment of the indebtedness of a member or the  
30 part of such indebtedness required by the rules  
of the credit union to be secured in the manner  
referred to in subsection (7A) of this section";

(vi)

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*Credit Union (Amendment).*

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5 (vi) by omitting from paragraph (b) of the same subsection the words "to be secured by prescribed security" and by inserting in lieu thereof the words "or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section";

10 (vii) by omitting from paragraph (c) of the same subsection the words "may, where the rules applicable in respect thereof require repayment of the indebtedness of a member to be secured by prescribed security" and by inserting in lieu thereof the words "except as provided by paragraph (d) of this subsection shall not, where the rules applicable in respect thereof require repayment of the indebtedness of a member or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section";

15  
20  
25 (viii) by omitting from paragraph (d) of the same subsection the words "may, where the terms and conditions applicable in respect thereof are specified in special rules, be an amount not exceeding four thousand dollars" and by inserting in lieu thereof the following words :—

may, where—

30 (i) the rules applicable in respect thereof require repayment of the indebtedness of a member or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section; and

(ii)

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*Credit Union (Amendment).*

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- (ii) the terms and conditions in respect thereof are specified in special rules,

5 be an amount not exceeding five thousand dollars;

- (ix) by inserting next after the same subsection the following new subsection :—

10 (7A) In this subsection “prescribed security” means a mortgage and includes, where some other form of security is prescribed by the regulations for the purposes of this subsection, the form of security so prescribed.

The rules of a credit union may require that—

15 (a) the indebtedness of a member ; or

(b) such part of the indebtedness of a member as exceeds—

20 (i) the amount of the member’s paid-up share capital in the credit union ;

(ii) the amount of the member’s deposits with the credit union ;  
and

25 (iii) an amount of one thousand dollars or where some other amount is prescribed by the regulations for the purposes of paragraph (a) of subsection seven of this section, the amount so prescribed,

30 be secured by prescribed security.

(b)

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*Credit Union (Amendment).*

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5 (b) by inserting in the definition of "liquid funds" in Sec. 7.  
subsection one of section seven after the word (Liquidity.)  
"charge" the words "other than a lien or charge  
given by a credit union to an association of which  
it is a member";

(c) by omitting subsection five of section twelve and by Sec. 12.  
inserting in lieu thereof the following subsection :— (Raising  
loans and  
receipt of  
money on  
deposit.)

(5) This subsection applies to and in respect  
of—

10 (a) a credit union being—

(i) a credit union that, immediately  
before the commencement of this  
Act, was registered under the Co-  
operation Acts and was first so  
15 registered not earlier than four years  
before the commencement of the  
Credit Union (Amendment) Act,  
1971; or

20 (ii) a credit union registered under this  
Act (section twenty-two excepted)  
before or after the commencement  
of the Credit Union (Amendment)  
Act, 1971,

25 where such a credit union requires to raise  
a loan of an amount in excess of that pre-  
scribed by subsection four of this section  
for the purpose of its development following  
its registration;

30 (b) any credit union whose membership has  
not, in the opinion of the registrar, reached  
its potential, where such a credit union  
requires to raise a loan of an amount in  
excess of the amount prescribed by sub-  
35 section four of this section for the purpose  
of increasing its membership;

(c)

*Credit Union (Amendment).*

5 (c) any credit union that requires to raise a loan of an amount in excess of the amount prescribed by subsection four of this section following an extension of the class or classes of persons eligible to receive a loan from the credit union ; or

10 (d) any credit union that requires to raise a loan of an amount in excess of the amount prescribed by subsection four of this section for the acquisition of real property necessary for the carrying out of any of the objects of the credit union.

15 Where the registrar so approves a credit union to which this subsection applies may, in accordance with such limits, terms and conditions as the registrar may impose, raise a loan of an amount in excess of that prescribed by subsection four of this section.

20 The registrar shall not grant such an approval in respect of a credit union to which paragraph (a) of this subsection applies after the expiration of the period of four years next succeeding the day on which the credit union was first registered.

25 (d) by omitting from section sixteen the words "twenty-one years" and by inserting in lieu thereof the words "eighteen years"; Sec. 16. (Depositor under age of 18 years.)

30 (e) by omitting from subsection one of section twenty the words "adult persons" and by inserting in lieu thereof the words "persons of or above the age of eighteen years"; Sec. 20. (Formation.)

(f) (i) by omitting from subsection one of section forty-one the words "twenty-one years" and by inserting in lieu thereof the words "eighteen years"; Sec. 41. (Minors as members.)

(ii)

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*Credit Union (Amendment).*

---

(ii) by omitting from subsection two of the same section the words "or to be one of the persons by whom a credit union may be formed";

5 (g) by inserting next after section fifty-five the following New sec. 55A.  
new section :—

10 55A. (1) A person who, being an undischarged bankrupt acts as a director of, or directly or indirectly takes part in or is concerned in the management of a credit union, or of an association, Power to restrain certain persons from managing credit unions. except with the leave of the Supreme Court shall be guilty of an offence against this Act and, upon summary conviction, liable to a penalty of one thousand dollars or to imprisonment for a period of six months or to both such penalty and imprisonment.

15

(2) Where a person is convicted whether within or without the State—

20 (a) on indictment of any offence in connection with the promotion, formation or management of a credit union, an association or a company or other corporation;

(b) of an offence involving fraud or dishonesty punishable on conviction with imprisonment for three months or more;

25 (c) of any offence and sentenced to any period of imprisonment without the option of a fine; or

(d)

*Credit Union (Amendment).*

5 (d) of an offence under section one hundred and twenty-four or under section three hundred and three or under any other provision of the Companies Act, 1961, that may be prescribed,

10 and that person, within a period of five years after his conviction, or if he is sentenced to imprisonment, after his release from prison, without the leave of the Supreme Court is a director or promoter of or is in any way whether directly or indirectly concerned or takes part in the management of a credit union or of an association he shall be guilty of an offence against this Act and, upon  
15 summary conviction, liable to a penalty of one thousand dollars or to imprisonment for a period of six months or to both such penalty and imprisonment.

20 (3) A person intending to apply for the leave of the Court under this section shall give to the Minister not less than ten days' notice of his intention so to apply.

25 (4) On the hearing of any application under this section the Minister may be represented at the hearing of and may oppose the granting of the application.

3. An approval to raise a loan in excess of the amount prescribed in subsection four of section twelve of the Credit Union Act, 1969, granted by the registrar under the provisions of subsection five of section twelve of that Act as in force  
30 immediately prior to the commencement of paragraph (c) of section two of this Act (hereinafter referred to as the repealed provisions) shall continue in force until the expiration of the period referred to in the repealed provisions as if the amendments made by paragraph (c) of section two of this Act had  
35 not been made.

Operation  
of repealed  
provisions.

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*Credit Union (Amendment).*

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**4.** The amendments made by subparagraphs (i) and (ii) of paragraph (a) of section two of this Act shall commence upon a day to be appointed by the Governor and notified by proclamation published in the Gazette.

Commence-  
ment.

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BY AUTHORITY

V. C. N. BLIGHT, GOVERNMENT PRINTER, NEW SOUTH WALES—1971



# New South Wales



ANNO VICESIMO

## ELIZABETHÆ II REGINÆ

\*\*\*\*\*

### Act No. 23, 1971.

An Act to make further provision with respect to the granting of loans by a credit union; to remove in certain circumstances the limitation on borrowing imposed on certain credit unions; to permit certain liens and charges to be included in the liquid funds of a credit union; to restrain certain persons from acting as directors of a credit union; for these and other purposes to amend the Credit Union Act, 1969; and for purposes connected therewith. [Assented to, 27th September, 1971.]

BE

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*Credit Union (Amendment).*


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**B**E it enacted by the Queen's Most Excellent Majesty, by 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 :—

Short title.      **1.** This Act may be cited as the "Credit Union (Amendment) Act, 1971".

Amendment of Act No. 8, 1969.      **2.** The Credit Union Act, 1969, is amended—

Sec. 6.              (a) (i) by omitting subsection three of section six and  
(Loans.)              by inserting in lieu thereof the following subsection :—

(3) Application for a loan from a credit union shall be in or to the effect of a form approved by that credit union or where a form is prescribed in or to the effect of the prescribed form.

(ii) by inserting next after subsection four of the same section the following new subsection :—

(4A) (a) Where the rules of a credit union so provide, the Board may, by instrument in writing, delegate any or all of its powers under subsection four of this section to such person or body of persons as may be prescribed by the regulations.

(b) The exercise of any delegation under this subsection shall be subject to and in accordance with such limits and conditions as may be specified in the instrument of delegation and such conditions as may be prescribed by the regulations.

(c)

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*Credit Union (Amendment).*

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(c) Notwithstanding any delegation made under this section the Board may continue to exercise or perform all or any of the powers so delegated.

(d) Any act or thing done or suffered by the delegate when acting in the exercise of any such delegation, and within the terms of the delegation, shall be as effective as if the act or thing had been done or suffered by the Board.

(iii) by inserting in paragraph (a) of subsection five of the same section after the word "member" the words ", where the loan is approved in an amount or upon terms and conditions otherwise than as sought by the member,";

(iv) by omitting from subsection seven of the same section the words "In this subsection 'prescribed security' means a mortgage and includes, where some other form of security is prescribed by the regulations for the purposes of this subsection, the form of security so prescribed.";

(v) by omitting from paragraph (a) of the same subsection the words "unless the rules applicable in respect thereof require repayment of the indebtedness of a member to be secured by prescribed security" and by inserting in lieu thereof the words "where the rules applicable in respect thereof do not require repayment of the indebtedness of a member or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section";

(vi)

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*Credit Union (Amendment).*

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- (vi) by omitting from paragraph (b) of the same subsection the words "to be secured by prescribed security" and by inserting in lieu thereof the words "or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section";
- (vii) by omitting from paragraph (c) of the same subsection the words "may, where the rules applicable in respect thereof require repayment of the indebtedness of a member to be secured by prescribed security" and by inserting in lieu thereof the words "except as provided by paragraph (d) of this subsection shall, where the rules applicable in respect thereof require repayment of the indebtedness of a member or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section";
- (viii) by omitting from paragraph (d) of the same subsection the words "may, where the terms and conditions applicable in respect thereof are specified in special rules, be an amount not exceeding four thousand dollars" and by inserting in lieu thereof the following words :—

may, where—

- (i) the rules applicable in respect thereof require repayment of the indebtedness of a member or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section; and

(ii)

---

*Credit Union (Amendment).*

---

(ii) the terms and conditions in respect thereof are specified in special rules,

be an amount not exceeding five thousand dollars;

(ix) by inserting next after the same subsection the following new subsection :—

(7A) In this subsection “prescribed security” means a mortgage and includes, where some other form of security is prescribed by the regulations for the purposes of this subsection, the form of security so prescribed.

The rules of a credit union may require that—

(a) the indebtedness of a member; or

(b) such part of the indebtedness of a member as exceeds—

(i) the amount of the member’s paid-up share capital in the credit union;

(ii) the amount of the member’s deposits with the credit union; and

(iii) an amount of one thousand dollars or where some other amount is prescribed by the regulations for the purposes of paragraph (a) of subsection seven of this section, the amount so prescribed,

be secured by prescribed security.

(b)

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*Credit Union (Amendment).*


---

Sec. 7.  
(Liquidity.)

- (b) by inserting in the definition of "liquid funds" in subsection one of section seven after the word "charge" the words "other than a lien or charge given by a credit union to an association of which it is a member";

Sec. 12.  
(Raising loans and receipt of money on deposit.)

- (c) by omitting subsection five of section twelve and by inserting in lieu thereof the following subsection :—

(5) This subsection applies to and in respect of—

(a) a credit union being—

(i) a credit union that, immediately before the commencement of this Act, was registered under the Co-operation Acts and was first so registered not earlier than four years before the commencement of the Credit Union (Amendment) Act, 1971; or

(ii) a credit union registered under this Act (section twenty-two excepted) before or after the commencement of the Credit Union (Amendment) Act, 1971,

where such a credit union requires to raise a loan of an amount in excess of that prescribed by subsection four of this section for the purpose of its development following its registration;

(b) any credit union whose membership has not, in the opinion of the registrar, reached its potential, where such a credit union requires to raise a loan of an amount in excess of the amount prescribed by subsection four of this section for the purpose of increasing its membership;

(c)

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*Credit Union (Amendment).*


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(c) any credit union that requires to raise a loan of an amount in excess of the amount prescribed by subsection four of this section following an extension of the class or classes of persons eligible to receive a loan from the credit union; or

(d) any credit union that requires to raise a loan of an amount in excess of the amount prescribed by subsection four of this section for the acquisition of real property necessary for the carrying out of any of the objects of the credit union.

Where the registrar so approves a credit union to which this subsection applies may, in accordance with such limits, terms and conditions as the registrar may impose, raise a loan of an amount in excess of that prescribed by subsection four of this section.

The registrar shall not grant such an approval in respect of a credit union to which paragraph (a) of this subsection applies after the expiration of the period of four years next succeeding the day on which the credit union was first registered.

- (d) by omitting from section sixteen the words "twenty-one years" and by inserting in lieu thereof the words "eighteen years"; Sec. 16. (Depositor under age of 18 years.)
- (e) by omitting from subsection one of section twenty the words "adult persons" and by inserting in lieu thereof the words "persons of or above the age of eighteen years"; Sec. 20. (Formation.)
- (f) (i) by omitting from subsection one of section forty-one the words "twenty-one years" and by inserting in lieu thereof the words "eighteen years"; Sec. 41. (Minors as members.)

(ii)

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*Credit Union (Amendment).*


---

(ii) by omitting from subsection two of the same section the words "or to be one of the persons by whom a credit union may be formed";

New sec.  
55A.

(g) by inserting next after section fifty-five the following new section :—

Power to  
restrain  
certain  
persons  
from  
managing  
credit  
unions.

55A. (1) A person who, being an undischarged bankrupt acts as a director of, or directly or indirectly takes part in or is concerned in the management of a credit union, or of an association, except with the leave of the Supreme Court shall be guilty of an offence against this Act and, upon summary conviction, liable to a penalty of one thousand dollars or to imprisonment for a period of six months or to both such penalty and imprisonment.

(2) Where a person is convicted whether within or without the State—

(a) on indictment of any offence in connection with the promotion, formation or management of a credit union, an association or a company or other corporation;

(b) of an offence involving fraud or dishonesty punishable on conviction with imprisonment for three months or more;

(c) of any offence and sentenced to any period of imprisonment without the option of a fine; or

(d)



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*Credit Union (Amendment).*

---

(d) of an offence under section one hundred and twenty-four or under section three hundred and three or under any other provision of the Companies Act, 1961, that may be prescribed,

and that person, within a period of five years after his conviction, or if he is sentenced to imprisonment, after his release from prison, without the leave of the Supreme Court is a director or promoter of or is in any way whether directly or indirectly concerned or takes part in the management of a credit union or of an association he shall be guilty of an offence against this Act and, upon summary conviction, liable to a penalty of one thousand dollars or to imprisonment for a period of six months or to both such penalty and imprisonment.

(3) A person intending to apply for the leave of the Court under this section shall give to the Minister not less than ten days' notice of his intention so to apply.

(4) On the hearing of any application under this section the Minister may be represented at the hearing of and may oppose the granting of the application.

3. An approval to raise a loan in excess of the amount prescribed in subsection four of section twelve of the Credit Union Act, 1969, granted by the registrar under the provisions of subsection five of section twelve of that Act as in force immediately prior to the commencement of paragraph (c) of section two of this Act (hereinafter referred to as the repealed provisions) shall continue in force until the expiration of the period referred to in the repealed provisions as if the amendments made by paragraph (c) of section two of this Act had not been made.

Operation of repealed provisions.

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*Credit Union (Amendment).*

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Commence-  
ment.

4. The amendments made by subparagraphs (i) and (ii) of paragraph (a) of section two of this Act shall commence upon a day to be appointed by the Governor and notified by proclamation published in the Gazette.

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BY AUTHORITY:

V. C. N. BLIGHT, GOVERNMENT PRINTER, NEW SOUTH WALES—1971

*I certify that this PUBLIC BILL, which originated in the LEGISLATIVE ASSEMBLY, has finally passed the LEGISLATIVE COUNCIL and the LEGISLATIVE ASSEMBLY of NEW SOUTH WALES.*

I. P. K. VIDLER,  
*Clerk of the Legislative Assembly.*

*Legislative Assembly Chamber,  
Sydney, 15 September, 1971.*

## New South Wales



ANNO VICESIMO

## ELIZABETHÆ II REGINÆ

\*\*\*\*\*

### Act No. 23, 1971.

An Act to make further provision with respect to the granting of loans by a credit union; to remove in certain circumstances the limitation on borrowing imposed on certain credit unions; to permit certain liens and charges to be included in the liquid funds of a credit union; to restrain certain persons from acting as directors of a credit union; for these and other purposes to amend the Credit Union Act, 1969; and for purposes connected therewith. [Assented to, 27th September, 1971.]

BE

*I have examined this Bill, and find it to correspond in all respects with the Bill as finally passed by both Houses.*

L. A. PUNCH,  
*Chairman of Committees of the Legislative Assembly.*

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*Credit Union (Amendment).*


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**B**E it enacted by the Queen's Most Excellent Majesty, by 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 :—

Short title.      **1.** This Act may be cited as the "Credit Union (Amendment) Act, 1971".

Amendment  
of Act No.  
8, 1969.      **2.** The Credit Union Act, 1969, is amended—

Sec. 6.  
(Loans.)      (a) (i) by omitting subsection three of section six and by inserting in lieu thereof the following subsection :—

(3) Application for a loan from a credit union shall be in or to the effect of a form approved by that credit union or where a form is prescribed in or to the effect of the prescribed form.

(ii) by inserting next after subsection four of the same section the following new subsection :—

(4A) (a) Where the rules of a credit union so provide, the Board may, by instrument in writing, delegate any or all of its powers under subsection four of this section to such person or body of persons as may be prescribed by the regulations.

(b) The exercise of any delegation under this subsection shall be subject to and in accordance with such limits and conditions as may be specified in the instrument of delegation and such conditions as may be prescribed by the regulations.

(c)

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*Credit Union (Amendment).*

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(c) Notwithstanding any delegation made under this section the Board may continue to exercise or perform all or any of the powers so delegated.

(d) Any act or thing done or suffered by the delegate when acting in the exercise of any such delegation, and within the terms of the delegation, shall be as effective as if the act or thing had been done or suffered by the Board.

- (iii) by inserting in paragraph (a) of subsection five of the same section after the word "member" the words ", where the loan is approved in an amount or upon terms and conditions otherwise than as sought by the member,";
- (iv) by omitting from subsection seven of the same section the words "In this subsection 'prescribed security' means a mortgage and includes, where some other form of security is prescribed by the regulations for the purposes of this subsection, the form of security so prescribed.";
- (v) by omitting from paragraph (a) of the same subsection the words "unless the rules applicable in respect thereof require repayment of the indebtedness of a member to be secured by prescribed security" and by inserting in lieu thereof the words "where the rules applicable in respect thereof do not require repayment of the indebtedness of a member or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section";

(vi)

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*Credit Union (Amendment).*

---

- (vi) by omitting from paragraph (b) of the same subsection the words "to be secured by prescribed security" and by inserting in lieu thereof the words "or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section";
- (vii) by omitting from paragraph (c) of the same subsection the words "may, where the rules applicable in respect thereof require repayment of the indebtedness of a member to be secured by prescribed security" and by inserting in lieu thereof the words "except as provided by paragraph (d) of this subsection shall, where the rules applicable in respect thereof require repayment of the indebtedness of a member or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section";
- (viii) by omitting from paragraph (d) of the same subsection the words "may, where the terms and conditions applicable in respect thereof are specified in special rules, be an amount not exceeding four thousand dollars" and by inserting in lieu thereof the following words :—

may, where—

- (i) the rules applicable in respect thereof require repayment of the indebtedness of a member or the part of such indebtedness required by the rules of the credit union to be secured in the manner referred to in subsection (7A) of this section ;  
and

(ii)

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*Credit Union (Amendment).*

---

- (ii) the terms and conditions in respect thereof are specified in special rules,

be an amount not exceeding five thousand dollars;

- (ix) by inserting next after the same subsection the following new subsection :—

(7A) In this subsection “prescribed security” means a mortgage and includes, where some other form of security is prescribed by the regulations for the purposes of this subsection, the form of security so prescribed.

The rules of a credit union may require that—

- (a) the indebtedness of a member; or

- (b) such part of the indebtedness of a member as exceeds—

- (i) the amount of the member’s paid-up share capital in the credit union;

- (ii) the amount of the member’s deposits with the credit union; and

- (iii) an amount of one thousand dollars or where some other amount is prescribed by the regulations for the purposes of paragraph (a) of subsection seven of this section, the amount so prescribed,

be secured by prescribed security.

(b)

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*Credit Union (Amendment).*


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- Sec. 7.  
(Liquidity.)
- (b) by inserting in the definition of "liquid funds" in subsection one of section seven after the word "charge" the words "other than a lien or charge given by a credit union to an association of which it is a member";
- Sec. 12.  
(Raising loans and receipt of money on deposit.)
- (c) by omitting subsection five of section twelve and by inserting in lieu thereof the following subsection :—
- (5) This subsection applies to and in respect of—
- (a) a credit union being—
- (i) a credit union that, immediately before the commencement of this Act, was registered under the Co-operation Acts and was first so registered not earlier than four years before the commencement of the Credit Union (Amendment) Act, 1971; or
- (ii) a credit union registered under this Act (section twenty-two excepted) before or after the commencement of the Credit Union (Amendment) Act, 1971,
- where such a credit union requires to raise a loan of an amount in excess of that prescribed by subsection four of this section for the purpose of its development following its registration;
- (b) any credit union whose membership has not, in the opinion of the registrar, reached its potential, where such a credit union requires to raise a loan of an amount in excess of the amount prescribed by subsection four of this section for the purpose of increasing its membership;

(c)



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*Credit Union (Amendment).*


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- (c) any credit union that requires to raise a loan of an amount in excess of the amount prescribed by subsection four of this section following an extension of the class or classes of persons eligible to receive a loan from the credit union; or
- (d) any credit union that requires to raise a loan of an amount in excess of the amount prescribed by subsection four of this section for the acquisition of real property necessary for the carrying out of any of the objects of the credit union.

Where the registrar so approves a credit union to which this subsection applies may, in accordance with such limits, terms and conditions as the registrar may impose, raise a loan of an amount in excess of that prescribed by subsection four of this section.

The registrar shall not grant such an approval in respect of a credit union to which paragraph (a) of this subsection applies after the expiration of the period of four years next succeeding the day on which the credit union was first registered.

- (d) by omitting from section sixteen the words "twenty-one years" and by inserting in lieu thereof the words "eighteen years"; Sec. 16.  
(Depositor under age of 18 years.)
- (e) by omitting from subsection one of section twenty the words "adult persons" and by inserting in lieu thereof the words "persons of or above the age of eighteen years"; Sec. 20.  
(Formation.)
- (f) (i) by omitting from subsection one of section forty-one the words "twenty-one years" and by inserting in lieu thereof the words "eighteen years"; Sec. 41.  
(Minors as members.)

(ii)

---

*Credit Union (Amendment).*


---

(ii) by omitting from subsection two of the same section the words "or to be one of the persons by whom a credit union may be formed";

New sec.  
55A.

(g) by inserting next after section fifty-five the following new section :—

Power to  
restrain  
certain  
persons  
from  
managing  
credit  
unions.

55A. (1) A person who, being an undischarged bankrupt acts as a director of, or directly or indirectly takes part in or is concerned in the management of a credit union, or of an association, except with the leave of the Supreme Court shall be guilty of an offence against this Act and, upon summary conviction, liable to a penalty of one thousand dollars or to imprisonment for a period of six months or to both such penalty and imprisonment.

(2) Where a person is convicted whether within or without the State—

(a) on indictment of any offence in connection with the promotion, formation or management of a credit union, an association or a company or other corporation;

(b) of an offence involving fraud or dishonesty punishable on conviction with imprisonment for three months or more;

(c) of any offence and sentenced to any period of imprisonment without the option of a fine; or

(d)

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*Credit Union (Amendment).*

---

(d) of an offence under section one hundred and twenty-four or under section three hundred and three or under any other provision of the Companies Act, 1961, that may be prescribed,

and that person, within a period of five years after his conviction, or if he is sentenced to imprisonment, after his release from prison, without the leave of the Supreme Court is a director or promoter of or is in any way whether directly or indirectly concerned or takes part in the management of a credit union or of an association he shall be guilty of an offence against this Act and, upon summary conviction, liable to a penalty of one thousand dollars or to imprisonment for a period of six months or to both such penalty and imprisonment.

(3) A person intending to apply for the leave of the Court under this section shall give to the Minister not less than ten days' notice of his intention so to apply.

(4) On the hearing of any application under this section the Minister may be represented at the hearing of and may oppose the granting of the application.

3. An approval to raise a loan in excess of the amount prescribed in subsection four of section twelve of the Credit Union Act, 1969, granted by the registrar under the provisions of subsection five of section twelve of that Act as in force immediately prior to the commencement of paragraph (c) of section two of this Act (hereinafter referred to as the repealed provisions) shall continue in force until the expiration of the period referred to in the repealed provisions as if the amendments made by paragraph (c) of section two of this Act had not been made.

Operation  
of repealed  
provisions.

4.

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*Credit Union (Amendment).*

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Commence-  
ment.

4. The amendments made by subparagraphs (i) and (ii) of paragraph (a) of section two of this Act shall commence upon a day to be appointed by the Governor and notified by proclamation published in the Gazette.

*In the name and on behalf of Her Majesty I assent to this Act.*

A. R. CUTLER,  
*Governor.*

*Government House,  
Sydney, 27th September, 1971.*