

FIRST PRINT

**GOVERNMENT INSURANCE OFFICE (PRIVATISATION)
AMENDMENT BILL 1992**

NEW SOUTH WALES



EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

The object of this Bill is to amend the Government Insurance Office (Privatisation) Act 1991 to enable GIO Life Limited to have a relevant interest (i.e. a controlling interest) in 100% of the fixed shares of 1 permanent building society. Without the amendment, GIO Life Limited would be prevented from having a relevant interest in more than 10% of the fixed shares in a society.

The society concerned must comply with requirements set out in the Bill as to the rules, management and activities of the society. A summary of those requirements is as follows:

- The society must have consented to the shareholding by GIO Life.
 - GIO Life's policy holders are entitled to become members of the society.
 - GIO Life must hold the shares of the society as assets of its statutory fund under the Life Insurance Act 1945 of the Commonwealth.
 - At least 60% of the society's loans must be for "owner-occupied" residential premises.
 - The society is prohibited from lending money to GIO Life or its associates.
 - A majority of the Board of the society must not be directors or employees of GIO Life or its associates.
 - GIO Life will not be entitled to transfer shares in the society without the approval of the Registrar of Permanent Building Societies.
 - Limitations are imposed on the amount the society can have in any one investment.
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Government Insurance Office (Privatisation) Amendment 1992

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides that the proposed Act commences on the date of assent.

Clause 3 amends the Government Insurance Office (Privatisation) Act 1991 to give effect to the object described above.

FIRST PRINT

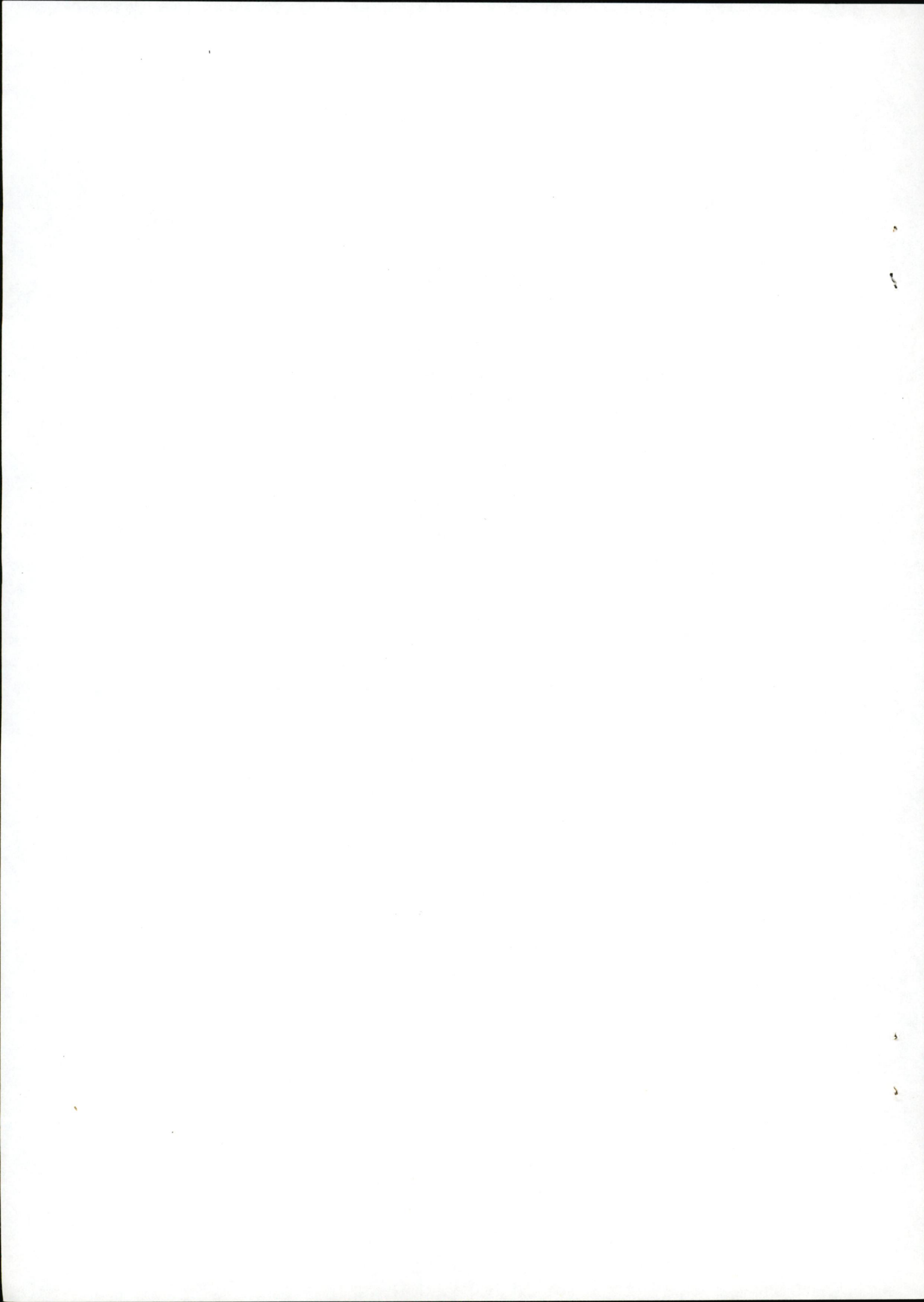
**GOVERNMENT INSURANCE OFFICE (PRIVATISATION)
AMENDMENT BILL 1992**

NEW SOUTH WALES



TABLE OF PROVISIONS

1. Short title
 2. Commencement
 3. Amendment of Government Insurance Office (Privatisation) Act 1991 No. 38
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**GOVERNMENT INSURANCE OFFICE (PRIVATISATION)
AMENDMENT BILL 1992**

NEW SOUTH WALES



No. , 1992

A BILL FOR

An Act to amend the Government Insurance Office (Privatisation) Act 1991 with respect to the shareholding of GIO Life Limited in a permanent building society.

Government Insurance Office (Privatisation) Amendment 1992

The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the Government Insurance Office (Privatisation) Amendment Act 1992.

Commencement

2. This Act commences on the date of assent.

Amendment of Government Insurance Office (Privatisation) Act 1991 No. 38

3. The Government Insurance Office (Privatisation) Act 1991 is amended by inserting after section 42 the following section:

GIO Life Limited may exceed maximum permissible shareholding in building society

42A. (1) The purpose of this section is to permit GIO Life Limited to hold up to 100% of the fixed shares in a single permanent building society under the Permanent Building Societies Act 1967 (“**the PBS Act**”) despite the restrictions imposed by that Act on shareholdings in a society.

(2) GIO Life Limited may have relevant interests in the fixed shares of one and only one permanent building society the nominal value of which exceeds 10%, and is up to 100%, of the nominal value of all fixed shares issued by the society.

(3) This section applies only while the following are complied with:

- (a) The society must have provision in its rules that permits GIO Life Limited to have in accordance with this section relevant interests in 100% of the fixed shares issued by the society.
- (b) The society must have notified the Registrar under the PBS Act, in a form approved by the Registrar, that it consents to GIO Life Limited having the relevant interests concerned.
- (c) The society must have provision in its rules giving the Board of the society a discretion as to the registration of the transfer of fixed shares.
- (d) GIO Life Limited must have notified the Registrar and the society concerned, in a form approved by the Registrar, of the proposed relevant interests before commencing to have the relevant interests.

Government Insurance Office (Privatisation) Amendment 1992

- (e) The shares concerned must be held by GIO Life Limited as assets of a statutory fund maintained under the Life Insurance Act 1945 of the Commonwealth and the society must have provision in its rules to the satisfaction of the Registrar entitling persons to become members of the society if they are holders of policies of insurance in respect of which that statutory fund is maintained.
 - (f) At least 60% of the amount loaned by the society must be loaned by way of primary loans.
 - (g) At least 60% of the amount loaned by the society in each financial year must be loaned on the security of mortgages over land occupied or intended to be occupied by the mortgagors for residential purposes (in which regard the society may rely on a statement by a mortgagor in the loan application that the mortgagor occupies or intends to occupy the land concerned for residential purposes).
 - (h) There must be no money on loan at any time from the society to GIO Life Limited or that company's associates (within the meaning of section 64E of the PBS Act).
 - (i) A majority of the members of the Board of the society must be persons other than directors or employees of GIO Life Limited or that company's associates (within the meaning of section 64E of the PBS Act).
 - (j) GIO Life Limited must furnish to the Registrar, in a form approved by the Registrar and at times required by the Registrar, returns specifying the details of relevant interests concerned.
 - (k) No fixed shares of the society in which GIO Life Limited has a relevant interest are to be transferred or otherwise disposed of without the written consent of the Registrar.
 - (l) No one investment of the society is to exceed 5% of the designated capital of the society (within the meaning of section 63E of the PBS Act).
- (4) In determining for the purposes of Division 2 of Part 5A (Shareholding Restrictions) of the PBS Act whether a person has greater than the maximum permissible shareholding in a society, no regard is to be had to any relevant interest that a person has in shares in which GIO Life Limited has a relevant interest pursuant to this section.
- (5) Words and expressions used in this section have the same meanings as in Part 5A of the PBS Act.
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SECOND PRINT

**GOVERNMENT INSURANCE OFFICE (PRIVATISATION)
AMENDMENT BILL 1992**

NEW SOUTH WALES



TABLE OF PROVISIONS

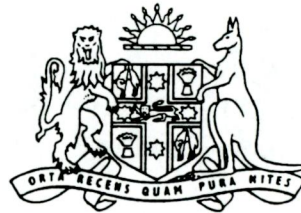
1. Short title
 2. Commencement
 3. Amendment of Government Insurance Office (Privatisation) Act 1991 No. 38
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This PUBLIC BILL, originated in the LEGISLATIVE ASSEMBLY and, having this day passed, is now ready for presentation to the LEGISLATIVE COUNCIL for its concurrence.

Legislative Assembly

Clerk of the Legislative Assembly.

NEW SOUTH WALES



Act No. , 1992

An Act to amend the Government Insurance Office (Privatisation) Act 1991 with respect to the shareholding of GIO Life Limited in a permanent building society.

Government Insurance Office (Privatisation) Amendment 1992

The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the Government Insurance Office (Privatisation) Amendment Act 1992.

5 Commencement

2. This Act commences on the date of assent.

Amendment of Government Insurance Office (Privatisation) Act 1991 No. 38

3. The Government Insurance Office (Privatisation) Act 1991 is amended by inserting after section 42 the following section:

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42A. (1) The purpose of this section is to permit GIO Life Limited to hold up to 100% of the fixed shares in a single permanent building society under the Permanent Building Societies Act 1967 ("the PBS Act") despite the restrictions imposed by that Act on shareholdings in a society.

(2) GIO Life Limited may have relevant interests in the fixed shares of one and only one permanent building society the nominal value of which exceeds 10%, and is up to 100%, of the nominal value of all fixed shares issued by the society.

(3) This section applies only while the following are complied with:

(a) The society must have provision in its rules that permits GIO Life Limited to have in accordance with this section relevant interests in 100% of the fixed shares issued by the society.

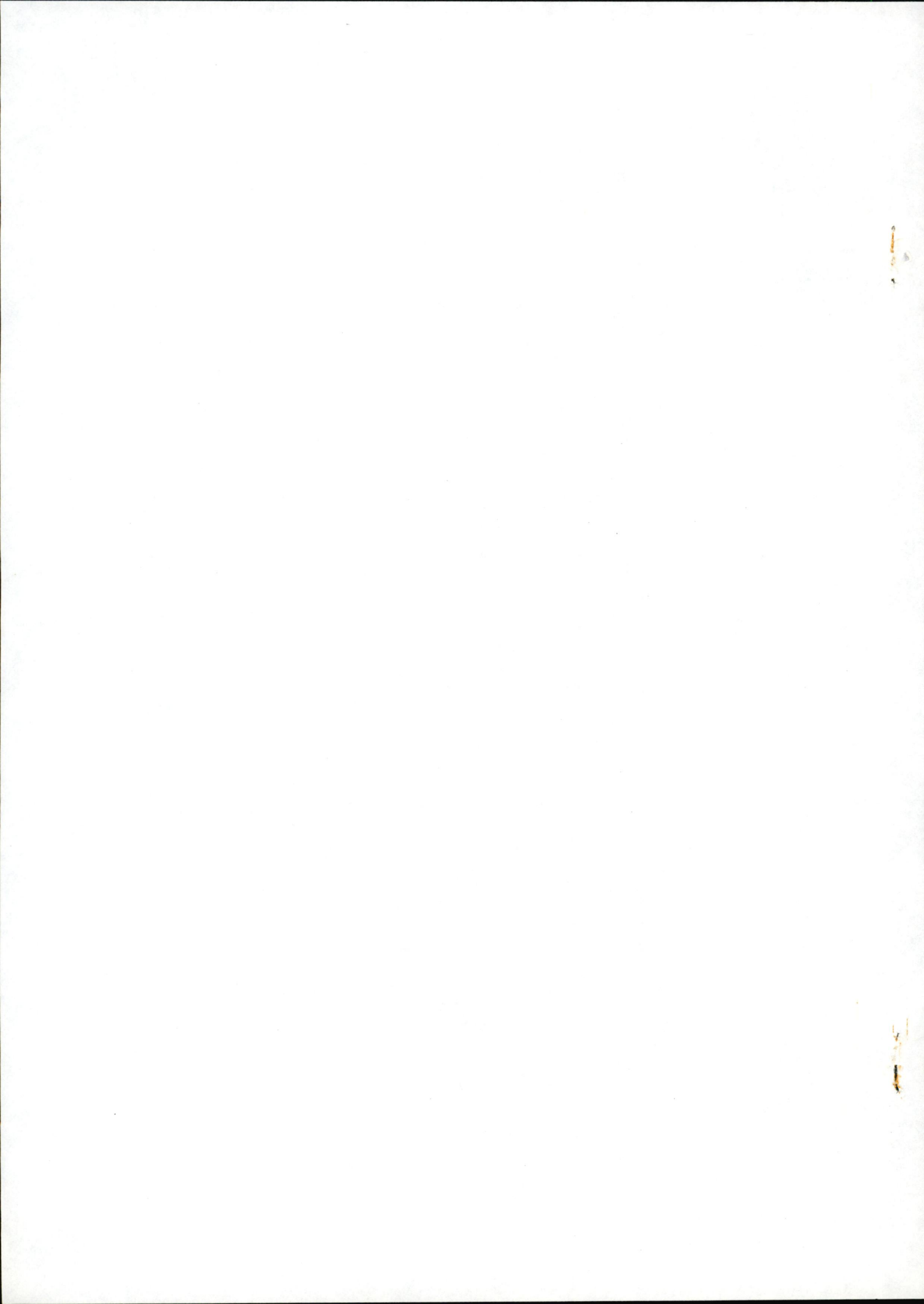
(b) The society must have notified the Registrar under the PBS Act, in a form approved by the Registrar, that it consents to GIO Life Limited having the relevant interests concerned.

(c) The society must have provision in its rules giving the Board of the society a discretion as to the registration of the transfer of fixed shares.

(d) GIO Life Limited must have notified the Registrar and the society concerned, in a form approved by the Registrar, of the proposed relevant interests before commencing to have the relevant interests.

Government Insurance Office (Privatisation) Amendment 1992

- (e) The shares concerned must be held by GIO Life Limited as assets of a statutory fund maintained under the Life Insurance Act 1945 of the Commonwealth and the society must have provision in its rules to the satisfaction of the Registrar entitling persons to become members of the society if they are holders of policies of insurance in respect of which that statutory fund is maintained. 5
- (f) At least 60% of the amount loaned by the society must be loaned by way of primary loans.
- (g) At least 60% of the amount loaned by the society in each financial year must be loaned on the security of mortgages over land occupied or intended to be occupied by the mortgagors for residential purposes (in which regard the society may rely on a statement by a mortgagor in the loan application that the mortgagor occupies or intends to occupy the land concerned for residential purposes). 10
15
- (h) There must be no money on loan at any time from the society to GIO Life Limited or that company's associates (within the meaning of section 64E of the PBS Act).
- (i) A majority of the members of the Board of the society must be persons other than directors or employees of GIO Life Limited or that company's associates (within the meaning of section 64E of the PBS Act). 20
- (j) GIO Life Limited must furnish to the Registrar, in a form approved by the Registrar and at times required by the Registrar, returns specifying the details of relevant interests concerned. 25
- (k) No fixed shares of the society in which GIO Life Limited has a relevant interest are to be transferred or otherwise disposed of without the written consent of the Registrar.
- (l) No one investment of the society is to exceed 5% of the designated capital of the society (within the meaning of section 63E of the PBS Act). 30
- (m) Liabilities of the society in respect of deposits with the society are guaranteed by the GIO parent company.
- (4) In determining for the purposes of Division 2 of Part 5A (Shareholding Restrictions) of the PBS Act whether a person has greater than the maximum permissible shareholding in a society, no regard is to be had to any relevant interest that a person has in shares in which GIO Life Limited has a relevant interest pursuant to this section. 35
- (5) Words and expressions used in this section have the same meanings as in Part 5A of the PBS Act. 40
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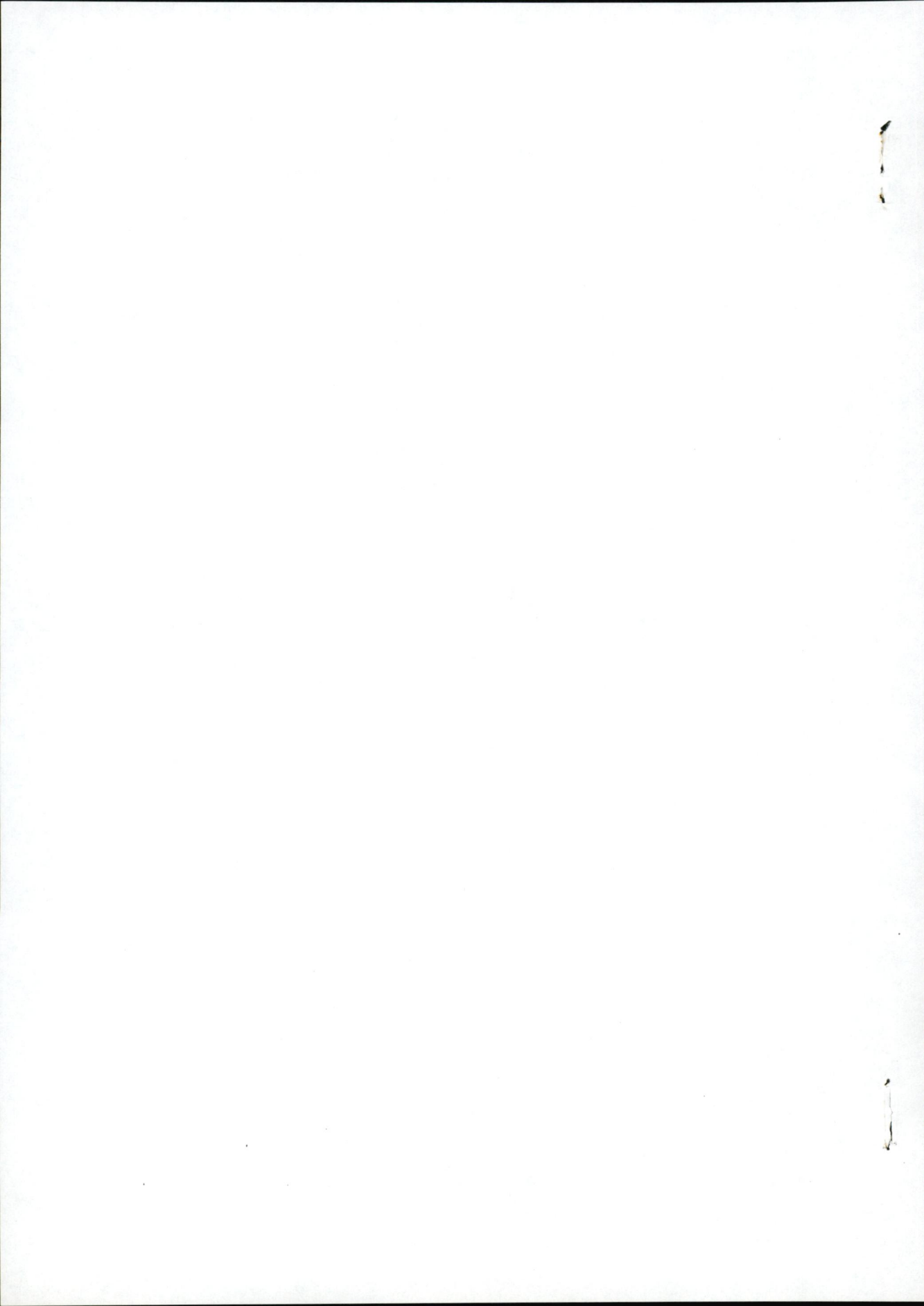
**GOVERNMENT INSURANCE OFFICE (PRIVATISATION)
AMENDMENT ACT 1992 No. 14**

NEW SOUTH WALES



TABLE OF PROVISIONS

1. Short title
 2. Commencement
 3. Amendment of Government Insurance Office (Privatisation) Act 1991 No. 38
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**GOVERNMENT INSURANCE OFFICE (PRIVATISATION)
AMENDMENT ACT 1992 No. 14**

NEW SOUTH WALES



Act No. 14, 1992

An Act to amend the Government Insurance Office (Privatisation) Act 1991 with respect to the shareholding of GIO Life Limited in a permanent building society. [Assented to 4 April 1992]

The Legislature of New South Wales enacts:

Short title

1. This Act may be cited as the Government Insurance Office (Privatisation) Amendment Act 1992.

Commencement

2. This Act commences on the date of assent.

Amendment of Government Insurance Office (Privatisation) Act 1991 No. 38

3. The Government Insurance Office (Privatisation) Act 1991 is amended by inserting after section 42 the following section:

GIO Life Limited may exceed maximum permissible shareholding in building society

42A. (1) The purpose of this section is to permit GIO Life Limited to hold up to 100% of the fixed shares in a single permanent building society under the Permanent Building Societies Act 1967 (“**the PBS Act**”) despite the restrictions imposed by that Act on shareholdings in a society.

(2) GIO Life Limited may have relevant interests in the fixed shares of one and only one permanent building society the nominal value of which exceeds 10%, and is up to 100%, of the nominal value of all fixed shares issued by the society.

(3) This section applies only while the following are complied with:

- (a) The society must have provision in its rules that permits GIO Life Limited to have in accordance with this section relevant interests in 100% of the fixed shares issued by the society.
- (b) The society must have notified the Registrar under the PBS Act, in a form approved by the Registrar, that it consents to GIO Life Limited having the relevant interests concerned.
- (c) The society must have provision in its rules giving the Board of the society a discretion as to the registration of the transfer of fixed shares.
- (d) GIO Life Limited must have notified the Registrar and the society concerned, in a form approved by the Registrar, of the proposed relevant interests before commencing to have the relevant interests.

- (e) The shares concerned must be held by GIO Life Limited as assets of a statutory fund maintained under the Life Insurance Act 1945 of the Commonwealth and the society must have provision in its rules to the satisfaction of the Registrar entitling persons to become members of the society if they are holders of policies of insurance in respect of which that statutory fund is maintained.
- (f) At least 60% of the amount loaned by the society must be loaned by way of primary loans.
- (g) At least 60% of the amount loaned by the society in each financial year must be loaned on the security of mortgages over land occupied or intended to be occupied by the mortgagors for residential purposes (in which regard the society may rely on a statement by a mortgagor in the loan application that the mortgagor occupies or intends to occupy the land concerned for residential purposes).
- (h) There must be no money on loan at any time from the society to GIO Life Limited or that company's associates (within the meaning of section 64E of the PBS Act).
- (i) A majority of the members of the Board of the society must be persons other than directors or employees of GIO Life Limited or that company's associates (within the meaning of section 64E of the PBS Act).
- (j) GIO Life Limited must furnish to the Registrar, in a form approved by the Registrar and at times required by the Registrar, returns specifying the details of relevant interests concerned.
- (k) No fixed shares of the society in which GIO Life Limited has a relevant interest are to be transferred or otherwise disposed of without the written consent of the Registrar.
- (l) No one investment of the society is to exceed 5% of the designated capital of the society (within the meaning of section 63E of the PBS Act).
- (m) Liabilities of the society in respect of deposits with the society are guaranteed by the GIO parent company.

Government Insurance Office (Privatisation) Amendment Act 1992 No. 14

(4) In determining for the purposes of Division 2 of Part 5A (Shareholding Restrictions) of the PBS Act whether a person has greater than the maximum permissible shareholding in a society, no regard is to be had to any relevant interest that a person has in shares in which GIO Life Limited has a relevant interest pursuant to this section.

(5) Words and expressions used in this section have the same meanings as in Part 5A of the PBS Act.

*[Minister's second reading speech made in—
Legislative Assembly on 10 March 1992
Legislative Council on 26 March 1992]*