



ANNO VICESIMO NONO

ELIZABETHAE II REGINAE

A.D. 1980

No. 56 of 1980

An Act to amend the Credit Unions Act, 1976.

[Assented to 3rd July, 1980]

BE IT ENACTED by the Governor of the State of South Australia, with the advice and consent of the Parliament thereof, as follows:

Short titles.

1. (1) This Act may be cited as the "Credit Unions Act Amendment Act, 1980".
- (2) The Credit Unions Act, 1976, is hereinafter referred to as "the principal Act".
- (3) The principal Act, as amended by this Act, may be cited as the "Credit Unions Act, 1976-1980".

Commence-
ment.

2. This Act shall come into operation on a day to be fixed by proclamation.

Amendment of
principal Act,
s. 5—
Interpretation.

3. Section 5 of the principal Act is amended by inserting after the definition of "the Fund" the following definition:—

"member", in relation to a credit union, means any person who holds, whether singly or jointly, a share in the credit union:.

Amendment of
principal Act,
s. 9—
Inspection of
documents.

4. Section 9 of the principal Act is amended by inserting after the present contents (which are hereby designated subsection (1) thereof) the following subsection:—

(2) The Registrar shall not, in pursuance of this section, permit any person to inspect, or provide any person with a copy of, any document, or part of a document, in which information has been furnished under section 39, 52 or 59 of this Act.

Amendment of
principal Act,
s. 19—
Alteration of
rules.

5. Section 19 of the principal Act is amended by inserting after subsection (2) the following subsection:—

(2a) The Registrar shall, by notice in writing addressed to the credit union, acknowledge receipt of an application under subsection (2) of this section not later than fourteen days after his receipt of the application.

6. Section 27 of the principal Act is amended—
- Amendment of
principal Act,
s. 27—
Members.
- (a) by inserting in subsection (1) after the passage “and any other persons who” the passage “hold shares in the credit union and”;
and
- (b) by striking out subsections (3) and (4) and inserting in lieu thereof the following subsection:—
- (3) A member of a credit union incurs no liability to the credit union by reason only of his membership of the credit union.
7. Section 30 of the principal Act is amended—
- Amendment of
principal Act,
s. 30—
Share capital.
- (a) by striking out from subsection (4) the word “member” secondly occurring and inserting in lieu thereof the word “person”;
and
- (b) by striking out subsection (5) and inserting in lieu thereof the following subsections:—
- (5) Notwithstanding the number of shares held by him, a member is not entitled to exercise more than one vote on any resolution of a meeting of the credit union.
- (5a) The rules of a credit union shall provide that, in the event of the winding up of the credit union, the funds of the credit union consisting of deposits made with the credit union shall be repaid in priority to the share capital of the credit union.
8. Section 31 of the principal Act is amended by striking out paragraph (b) from subsection (2).
- Amendment of
principal Act,
s. 31—
Cases where
shares are
held jointly.
9. Section 34 of the principal Act is amended by inserting after subsection (4) the following subsection:—
- Amendment of
principal Act,
s. 34—
Borrowing
money.
- (4a) A credit union shall, not later than one month after granting any mortgage pursuant to subsection (4) of this section, lodge a copy of the mortgage with the Registrar.
10. Section 39 of the principal Act is amended by striking out subsection (2) and inserting in lieu thereof the following subsections:—
- Amendment of
principal Act,
s. 39—
Loans to
officers and
employees.
- (2) Within one month of lending any moneys pursuant to subsection (1) of this section, the credit union shall report to the Registrar—
- (a) the name, address and particulars of office or employment in the credit union of the borrower;
and
- (b) the amount, and the terms, of the loan.
- (3) Notwithstanding any Act or law to the contrary, but subject to subsection (5) of this section, where a loan is made pursuant to this section to a director of a credit union—
- (a) the director is not obliged to report the loan to any general meeting of the members of the credit union;
and

(b) failure so to report the loan does not affect the validity of the loan contract or render the director liable to account for any profits arising from the loan contract.

(4) Subsection (3) of this section does not derogate from the provisions of section 61 of this Act.

(5) The rules of a credit union may provide that an officer or employee of the credit union shall report any loan made to him under subsection (1) of this section to the annual general meeting of the credit union next following the making of the loan.

Amendment of
principal Act,
s. 41—
Liquidity.

11. Section 41 of the principal Act is amended by striking out from subsection (1) the passage “as liquid funds a sum” and inserting in lieu thereof the passage “an average amount of liquid funds, computed over the period of a month in the prescribed manner, that is”.

Amendment of
principal Act,
s. 42—
Reserve
accounts.

12. Section 42 of the principal Act is amended—

(a) by inserting in subsection (1) after the passage “the business of the credit union” the passage “after deducting the outstanding amount of any deficit incurred in any previous financial year”;

(b) by striking out from subsection (2) the word “or” preceding paragraph (d);

(c) by inserting after paragraph (d) of subsection (2) the following paragraph:—

and

(e) proper provision for any other matter that may be prescribed.;

and

(d) by inserting in subsection (3) after the word “bonus” the passage “, dividend”.

Amendment of
principal Act,
s. 43—
Acquisition
and develop-
ment of
property.

13. Section 43 of the principal Act is amended by striking out subsection (2) and inserting in lieu thereof the following subsection:—

(2) A credit union shall not—

(a) purchase or acquire any real property pursuant to subsection (1) of this section;

or

(b) carry out any improvements to any real property owned by the credit union,

where the cost of the property to be purchased or acquired, or of the proposed improvements, exceeds five per centum of the total of—

(c) the paid-up share capital of the credit union;

and

(d) the amount held by the credit union by way of deposit, unless the consent of the Registrar, given on the recommendation of the Board, has first been obtained.

14. Section 46 of the principal Act is amended—

Amendment of
principal Act,
s. 46—
Dormant
accounts.

- (a) by striking out from subsection (6) the passage “to the Treasurer in accordance with the Unclaimed Moneys Act, 1891-1975, and those moneys shall thereafter be dealt with under that Act” and inserting in lieu thereof the passage “to the Board for payment into the Fund”;

and

- (b) by inserting after subsection (6) the following subsection:—

(7) The Board shall, if it is satisfied upon the application of a person that any moneys of his were paid to the Board pursuant to subsection (6) of this section, pay those moneys to that person.

15. Section 52 of the principal Act is amended—

Amendment of
principal Act,
s. 52—
Monetary
provisions.

- (a) by inserting after paragraph (c) of subsection (1) the following paragraph:—

(ca) lend moneys to the members, officers or employees of its members, upon such terms as it thinks fit;;

and

- (b) by striking out subsection (2) and inserting in lieu thereof the following subsections:—

(2) Within one month of lending any moneys to an officer or employee of the association or of a member of the association, the association shall report to the Registrar—

- (a) the name, address and particulars of office or employment in the association, or the member credit union, of the borrower;

and

- (b) the amount, and the terms, of the loan.

(2a) Notwithstanding any Act or law to the contrary, but subject to subsection (2c) of this section, where a loan is made pursuant to this section to a director of the association—

- (a) the director is not obliged to report the loan to any general meeting of the members of the association;

and

- (b) failure so to report the loan does not affect the validity of the loan contract or render the director liable to account for any profits arising from the loan contract.

(2b) Subsection (2a) of this section does not derogate from the provisions of section 61 of this Act.

(2c) The rules of an association may provide that an officer or employee of the association shall report any loan made to him under subsection (1) of this section to the annual general meeting of the association next following the making of the loan.

Amendment of
principal Act,
s. 54—

Application of
this Act to
associations.

16. Section 54 of the principal Act is amended—

- (a) by striking out from paragraph (c) the passage “and IV” and inserting in lieu thereof the passage “, IV and V”;
and
(b) by inserting after paragraph (c) the following paragraph:—
(ca) Division III of Part VIII;

Amendment of
principal Act,
s. 65—

Duty and
liability of
officers.

17. Section 65 of the principal Act is amended by striking out from subsection (3) the passage “shall be guilty of an offence and liable to a penalty not exceeding one thousand dollars” and inserting in lieu thereof the following passage:—

- (a) shall be liable to the credit union for—
(i) any profit made by him;
and
(ii) damage suffered by the credit union,
as a result of the contravention or failure;
and
(b) shall be guilty of an offence and liable to a penalty not exceeding one thousand dollars.

Amendment of
principal Act,
s. 67—

Voting.

18. Section 67 of the principal Act is amended by inserting after subsection (5) the following subsections:—

- (6) No person shall vote at a meeting of a credit union as a proxy for a member of the credit union.
(7) A vote purportedly cast by a person as the proxy for a member of a credit union shall be invalid and of no effect.

Amendment of
principal Act,
s. 68—

Special
resolutions.

19. Section 68 of the principal Act is amended—

- (a) by inserting after subsection (2) the following subsection:—
(2a) Notice of a proposed special resolution, setting out its terms, must be given, personally or by post, to the members of the credit union at least fourteen days before the date of the meeting at which a motion for the passing or adoption of the resolution is to be moved and any purported special resolution, in relation to which such notice has not been given, is invalid. ;
(b) by inserting after subsection (3) the following subsection:—
(3a) The Registrar shall, by notice in writing addressed to the credit union, acknowledge receipt of a special resolution under subsection (3) of this section not later than fourteen days after his receipt of the resolution. ;
and
(c) by inserting after subsection (4) the following subsection:—
(5) This section applies in relation only to those matters that are required by this Act or the rules of a credit union to be passed or approved by a special resolution.

20. Section 74 of the principal Act is amended—

- (a) by striking out from paragraph (a) of subsection (1) the passage “a profit and loss” and inserting in lieu thereof the passage “an income and expenditure”;
- (b) by inserting in subsection (2) after the passage “to the effect that” the passage “, in their opinion”;
- and
- (c) by striking out from paragraph (a) of subsection (2) the passage “profit and loss” twice occurring and inserting in lieu thereof, in each case, the passage “income and expenditure”.

Amendment of principal Act, s. 74—
Accounts to be laid before general meeting.

21. Section 77 of the principal Act is amended by inserting after the present contents (which are hereby designated subsection (1) thereof) the following subsection:—

- (2) An auditor of a credit union may resign from office only in accordance with the regulations.

Amendment of principal Act, s. 77—
Removal and resignation of auditors.

22. Section 79 of the principal Act is amended by inserting in subsection (2) after the passage “in a report under this section,” the passage “and in any report given by him on the accounts of a credit union, pursuant to a request of the credit union, at any other time than at an annual general meeting,”.

Amendment of principal Act, s. 79—
Powers and duties of auditors as to reports and accounts.

23. Section 82 of the principal Act is amended—

- (a) by striking out from subsection (3) the passage “, in the opinion of the Minister, suitable persons to represent the interests of credit unions or associations” and inserting in lieu thereof the passage “selected by the Minister from a panel of six persons (or such lesser number of persons as the Minister may direct) nominated by the Credit Union Association of South Australia, or such other association as may be prescribed”;

and

- (b) by inserting after subsection (3) the following subsection:—

(4) If an association fails to nominate a panel of persons for the purposes of subsection (3) of this section within one month of receiving a written request from the Minister to do so, the Governor may appoint the required number of persons to the Board on the nomination of the Minister, and any person so appointed shall, for all purposes, be deemed to have been duly nominated and appointed to the Board.

Amendment of principal Act, s. 82—
Constitution of the Board.

24. Section 99 of the principal Act is amended by inserting after the present contents (which are hereby designated subsection (1) thereof) the following subsection:—

(2) An officer of the Board, authorized by the Board for the purpose, may, for the purposes of the Board satisfying itself as to any of the matters referred to in subsection (1) of this section—

- (a) require a credit union or an officer of a credit union to produce any books, papers or documents relating to the affairs of the credit union;

Amendment of principal Act, s. 99—
Supervision of credit union.

(b) inspect and make copies of any minutes, books, papers or documents relating to the affairs of a credit union that are in the custody or control of the credit union, a liquidator, a bank or any other institution;

and

(c) require any bank or other institution in which funds have been deposited by a credit union to furnish him with particulars of those funds and of any dealing with or disposition of those funds by the credit union.

Amendment of
principal Act,
s. 102—
Supervision
powers.

25. Section 102 of the principal Act is amended by inserting after paragraph (h) the following paragraph:—

(ha) exempt the credit union, by notice in writing addressed to the credit union, from all, or any, of the provisions of sections 34, 41, 42 and 43 of this Act for such period as may be specified in the notice;

In the name and on behalf of Her Majesty, I hereby assent to this Bill.

K. D. SEAMAN, Governor