

**CREDIT UNION (AMENDMENT) ACT, 1978,  
No. 30**

**New South Wales**



ANNO VICESIMO SEPTIMO

**ELIZABETHÆ II REGINÆ**

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**Act No. 30, 1978.**

An Act to amend the Credit Union Act, 1969, to create a Credit Union Savings Reserve Fund and constitute the Credit Union Savings Reserve Board to administer the Savings Reserve Fund. [Assented to, 28th March, 1978.]

*Credit Union (Amendment).*

**BE** 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, 1978".

**Interpretation.** 2. Except in so far as the context or subject-matter otherwise indicates or requires, words and expressions used in this Act have the meanings attributed to them respectively in the Credit Union Act, 1969, as amended by this Act.

**Schedules.** 3. This Act contains the following Schedules:—

SCHEDULE 1.—AMENDMENTS TO THE CREDIT UNION ACT, 1969.

SCHEDULE 2.—FURTHER AMENDMENTS TO THE CREDIT UNION ACT, 1969, BY WAY OF STATUTE LAW REVISION.

**Amendment of Act No. 2, 1969.** 4. The Credit Union Act, 1969, is amended in the manner set forth in Schedules 1 and 2.

**Exclusion from Savings Reserve Fund of credit unions under control of administrator.** 5. Nothing in Division 2 of Part VA of the Credit Union Act, 1969, as amended by this Act, applies to or in respect of a credit union which, on 30th June, 1978, is under the control of an administrator appointed under section 71A of that Act for such period as the credit union remains under the control of an administrator.

*Credit Union (Amendment).*

6. (1) The Savings Reserve Board may, at any time on or before 30th September, 1978, make a determination with respect to a credit union (not being a credit union referred to in section 5)—

Exclusion  
from Savings  
Reserve  
Fund  
of credit  
unions which  
fail to  
comply with  
certain  
require-  
ments.

- (a) that the credit union has failed, at any time during the period 1st June, 1978, to 30th June, 1978, to comply with the rules made by the Savings Reserve Board under section 69x of the Credit Union Act, 1969, as amended by this Act; and
- (b) that the credit union has not made provision to protect adequately the members of the credit union against loss, otherwise than by recourse to the Savings Reserve Fund.

(2) Nothing in Division 2 of Part VA of the Credit Union Act, 1969, as amended by this Act, applies to or in respect of a credit union in respect of which a determination made by the Savings Reserve Board under this section remains in force.

(3) The Savings Reserve Board may, at any time, revoke a determination made by it under this section.

(4) A credit union shall furnish to the Savings Reserve Board such information as the Savings Reserve Board requires for the purpose of deciding whether or not it should make or revoke a determination under this section with respect to the credit union.

(5) Where the Savings Reserve Board makes or revokes a determination under this section with respect to a credit union, the Savings Reserve Board shall give written notice of the making or revocation of the determination to the credit union and the registrar as soon as practicable after the determination is made or revoked.

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*Credit Union (Amendment).*

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(6) A credit union dissatisfied with—

- (a) a determination made with respect to it under this section;
- (b) the refusal of the Savings Reserve Board to revoke a determination made with respect to it under this section; or
- (c) the failure of the Savings Reserve Board to revoke a determination made with respect to it under this section within 14 days after a request to do so has been made in writing to the Savings Reserve Board by the credit union,

may appeal to the Credit Union Appeals Tribunal constituted under section 69AG of the Credit Union Act, 1969, as amended by this Act.

(7) Except as provided by subsection (8), the making or revocation of a determination with respect to a credit union under this section shall not affect anything done in pursuance of the Credit Union Act, 1969, as amended by this Act, prior to the date on which the determination was made or revoked.

(8) Where, on or before the making of a determination with respect to a credit union under this section, the credit union has paid any amount to the Savings Reserve Board under section 69P (1) (b) or 69Q of the Credit Union Act, 1969, as amended by this Act, the Savings Reserve Board shall, as soon as practicable after the making of the determination, repay to the credit union in full the amount or amounts so paid.

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*Credit Union (Amendment).*

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SCHEDULE 1.

Sec. 4.

AMENDMENTS TO THE CREDIT UNION ACT, 1969.

(1) (a) Section 2—

After the matter relating to Part V, insert :—

PART VA.—THE CREDIT UNION SAVINGS RESERVE  
BOARD—ss. 69A—69AN.

DIVISION 1.—*Constitution and Functions of the  
Savings Reserve Board.*

DIVISION 2.—*The Credit Union Savings Reserve  
Fund.*

DIVISION 3.—*Supervision of Credit Unions.*

DIVISION 4.—*Appeals.*

(b) Section 2—

Omit “SCHEDULE.”, insert instead “SCHEDULES.”.

(2) Section 3 (1), definitions of “Savings Reserve Board”,  
“Savings Reserve Fund”—

After the definition of “rule”, insert :—

“Savings Reserve Board” means the Credit Union Savings  
Reserve Board constituted under this Act;

“Savings Reserve Fund” means the Credit Union Savings  
Reserve Fund established under section 69L (1);

(3) Section 24—

Omit “the Schedule to this Act”, insert instead “Schedule  
1”.

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*Credit Union (Amendment).*


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SCHEDULE 1—*continued.*


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AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

## (4) Section 60 (1)—

Omit “or within such further time as may be allowed by the registrar.”.

## (5) (a) Section 69 (2)—

Omit “or within such further time as the registrar may authorise”.

## (b) Section 69 (2A)—

After section 69 (2), insert :—

(2A) A credit union shall transmit to the Savings Reserve Board a copy of a document transmitted to the registrar under subsection (2) at the same time as it transmits the document to the registrar.

## (6) Part VA—

After Part V, insert :—

PART VA.

THE CREDIT UNION SAVINGS RESERVE BOARD.

DIVISION 1.—*Constitution and Functions of the Savings Reserve Board.*

Savings  
Reserve  
Board.

69A. (1) There is hereby constituted a corporation under the corporate name “Credit Union Savings Reserve Board”.

(2) Part 1 of Schedule 2 has effect.

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*

AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

69B. The Savings Reserve Board shall—

- (a) administer the Savings Reserve Fund; and
- (b) exercise and perform such other powers, authorities, duties and functions as are conferred or imposed on it by or under this Act or the regulations.

Functions  
of the  
Savings  
Reserve  
Board.

69C. (1) The Savings Reserve Board may, with the concurrence of the Treasurer, execute a guarantee, either alone or jointly with some other person, in favour of a bank or other person for the repayment of any money raised on loan by a credit union.

Execution  
of  
guarantees.

(2) Part 2 of Schedule 2 has effect.

69D. (1) For the temporary accommodation of the Savings Reserve Board, it may obtain advances by overdraft of current account in any bank or banks upon the credit of the Savings Reserve Board's funds to such extent as may from time to time be approved by the Governor.

Temporary  
accommoda-  
tion.

(2) The Treasurer may advance such money to the Savings Reserve Board, upon such terms and conditions as to repayment and interest, as may be agreed upon.

69E. (1) The Savings Reserve Board may from time to time, with the concurrence of the Treasurer and the approval of the Governor, do either or both of the following things, namely—

Borrowing,  
etc.

- (a) borrow money; or

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

- (b) raise money by issuing bank accepted bills of exchange and dealing in bank accepted bills of exchange issued by it,

for the purposes of—

- (c) exercising or performing any of its powers, authorities, duties or functions;
- (d) renewing loans or other advances; or
- (e) discharging, or partially discharging, any indebtedness of the Savings Reserve Board.

- (2) Part 3 of Schedule 2 has effect.

**Insurances.**

69F. (1) The Savings Reserve Board may determine the minimum requirements for fidelity, fire, public risk and other insurances (not being insurances referred to in section 5 (c)) to be entered into by credit unions.

(2) A credit union shall comply with such requirements as may be determined by the Savings Reserve Board under subsection (1).

(3) A credit union shall, at the request of the Savings Reserve Board, furnish such information as is specified by the Savings Reserve Board with respect to insurances referred to in subsection (1) (not being insurances referred to in section 5 (c)).

**Staff.**

69G. (1) The Savings Reserve Board may appoint and employ such officers and employees as are necessary for carrying out the provisions of this Part.



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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*

AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

(2) An officer or employee of the Savings Reserve Board appointed and employed under subsection (1) shall, subject to the terms of his appointment, continue in the service of the Savings Reserve Board at the will of the Savings Reserve Board only.

(3) An officer or employee of the Savings Reserve Board appointed and employed under subsection (1) shall be subject to the sole control and governance of the Savings Reserve Board which may, where his salary or wages or conditions of employment is not or are not fixed in accordance with the provisions of any other law, fix his salary or wages and his conditions of employment.

69H. For the purposes of exercising and performing the powers, authorities, duties and functions conferred or imposed on the Savings Reserve Board by this Part, the Savings Reserve Board may, with the approval of the Minister and on such terms as may be arranged, make use of the facilities of the registrar or the services of any person appointed by the Governor and employed in the administration of this Act. Use of certain facilities and services.

69I. The registrar may, at his discretion, and on such terms and conditions as he may impose, furnish to the Savings Reserve Board copies of any document in his possession as a consequence of the exercise or performance of any of his powers, authorities, duties and functions under this Act or the regulations. Furnishing of information by the registrar to the Savings Reserve Board.

69J. (1) The accounts of the Savings Reserve Board shall be audited annually by a person appointed by the Savings Reserve Board, being a person registered under the Public Accountants Registration Act, 1945, and approved by the registrar. Audit.

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

(2) A person appointed under subsection (1) shall, in relation to the accounts of the Savings Reserve Board, report to the Savings Reserve Board and the Minister—

(a) whether or not in his opinion—

(i) due diligence and care have been shown in the collection and banking of money paid to the Savings Reserve Board;

(ii) the expenditure incurred is authorised and has been duly made; and

(iii) any money has been misappropriated or improperly or irregularly dealt with; and

(b) as to any matters which in his judgment call for special notice or which may be prescribed.

Annual  
report.

69K. (1) In this section, “financial year” means—

(a) the period from the date of assent to the Credit Union (Amendment) Act, 1978, to 31st December, 1978; and

(b) except as provided by paragraph (a), a period of 12 months commencing on 1st January.

(2) The Savings Reserve Board shall, within 3 months of the end of each financial year, forward to the registrar and each credit union which, at the end of that financial year, has on deposit with the Savings Reserve Fund the amount referred to in section 69P (1) (b)—

(a) a report relating to the administration of the Savings Reserve Fund during that financial year;

(b) a copy of the audited balance sheet for that financial year; and

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*

AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

- (c) such other financial statements relating to that financial year as the registrar may require.

(3) The Savings Reserve Board shall forward the items referred to in subsection (2) (a), (b) and (c) to the registrar not less than 7 days before it forwards those items to each credit union referred to in subsection (2).

DIVISION 2.—*The Credit Union Savings Reserve Fund.*

69L. (1) There shall be a fund called the "Credit Union Savings Reserve Fund".

The Savings  
Reserve  
Fund.

(2) Subject to section 69P (4) and 72A, the Savings Reserve Fund shall be the property of the Savings Reserve Board and shall be applied for the purposes set out in this Part.

69M. All money belonging to the Savings Reserve Fund shall, pending the investment or application thereof, be paid into a bank in New South Wales to the credit of a separate account to be called the "Credit Union Savings Reserve Fund Account" and the account shall be operated upon in such manner as the Savings Reserve Board shall from time to time determine.

Separate  
bank  
account.

69N. (1) There shall be paid into the Savings Reserve Fund—

Payments  
into the  
Savings  
Reserve  
Fund.

- (a) the sums advanced under section 69D;
- (b) money borrowed or raised under section 69E;
- (c) the amounts paid by way of contribution under section 69P (1) (b);

*Credit Union (Amendment).*SCHEDULE 1—*continued.*AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

- (d) the sums paid by way of levy under section 69Q;
- (e) the interest from time to time accruing from the investment of the Savings Reserve Fund; and
- (f) money recovered under section 69W (2) (b).

(2) There may be paid into the Savings Reserve Fund money, other than money referred to in subsection (1), which may lawfully be paid into the Savings Reserve Fund.

Payments  
out of  
the  
Savings  
Reserve  
Fund.

69O. (1) There may be paid out of the Savings Reserve Fund—

- (a) amounts paid under section 69P (4);
- (b) payments made by way of grant or loan under section 69S;
- (c) the amount of a dividend paid under section 69T;
- (d) payments under section 69V in respect of claims;
- (e) the amount of any indemnity under section 69W (3);
- (f) money required—
  - (i) to repay money borrowed by the Savings Reserve Board under this Part;
  - (ii) to pay interest on money so borrowed; and
  - (iii) to pay the expenses of the Savings Reserve Board in borrowing money under this Part;
- (g) money required for the purpose of discharging any liability of the Savings Reserve Board under a guarantee given by it;

*Credit Union (Amendment).*

SCHEDULE 1—*continued.*

AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

- (h) the salaries and allowances of officers or employees of the Savings Reserve Board appointed and employed under section 69G (1);
- (i) such cost and expenses as may be incurred under section 69H;
- (j) the remuneration of members of the Savings Reserve Board under clause 18 of Schedule 2;
- (k) the expenses involved in the administration of the Savings Reserve Fund including the audit of the Savings Reserve Fund under section 69J;
- (l) amounts paid under section 72A; and
- (m) any other money payable out of the Savings Reserve Fund in accordance with this Part or any regulations made for the purposes of this Part.

(2) Payments out of the Savings Reserve Fund shall, to the maximum extent possible, as determined by the Savings Reserve Board, be made only from interest accrued on investments made pursuant to section 69R, money advanced under section 69D or money borrowed or raised under section 69E.

69P. (1) A credit union, other than a credit union in respect of which a liquidator has been appointed under Part VII, shall, on or before 30th June in each year—

Contribution  
to the  
Savings  
Reserve  
Fund.

- (a) forward to the Savings Reserve Board a statement, certified by a director and the secretary of the credit union, specifying the share capital of the credit union and the amount held on deposit by the credit union as at the preceding 31st March; and

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

- (b) contribute to the Savings Reserve Fund such amount, if any, as is necessary for the credit union to have or keep on deposit with the Savings Reserve Fund an amount equal to three-quarters of 1 per cent. of the aggregate of the share capital of the credit union and the amount held on deposit by the credit union as at the preceding 31st March.

(2) The Savings Reserve Board may, at any time, by notice in writing to a credit union, require the statement referred to in subsection (1) (a) to be certified by the auditors of the credit union.

(3) Where a credit union is in default in payment of a contribution to the Savings Reserve Fund under subsection (1) (b)—

- (a) interest shall accrue on the amount outstanding from the date of default at the maximum rate fixed for the time being under section 12 (2) generally in respect of deposits with a credit union or, where a rate of interest is prescribed for the purposes of this subsection, at the rate so prescribed; and
- (b) the Savings Reserve Board may recover the amount outstanding together with interest accrued thereon as a debt in any court of competent jurisdiction.

(4) Where on 30th June in any year the amount a credit union has on deposit with the Savings Reserve Fund exceeds the amount the credit union is required to have or keep on deposit with the Savings Reserve Fund

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*

AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

under subsection (1) (b), the Savings Reserve Board shall, on application by the credit union in the prescribed form made on or before the following 30th September, pay to the credit union the amount of the excess not later than 1 month after the date of receipt of the application.

69Q. (1) Where, in the opinion of the Savings Reserve Board, the capital amount of the Savings Reserve Fund comprising amounts paid under section 69P (1) (b) and this section has been reduced to such an extent that it is desirable that further payment be made into the Savings Reserve Fund, the Savings Reserve Board may require each credit union, other than a credit union in respect of which a liquidator has been appointed under Part VII, to pay into the Savings Reserve Fund a levy not exceeding one-half of 1 per cent. of the aggregate of the share capital of the credit union and the amount held on deposit by the credit union as at the preceding 31st March. **Levy.**

(2) The Savings Reserve Board may require more than one levy to be paid during any period of 12 months commencing on 1st April but the aggregate of the levies so required to be paid during any such period shall not exceed the maximum amount of a levy specified in subsection (1).

(3) A levy under subsection (1) shall be paid by a credit union on or before such date as is determined by the Savings Reserve Board and of which not less than 30 days' notice in writing is given by the Savings Reserve Board to the credit union.

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

(4) Where a credit union is in default in payment of a levy under subsection (1)—

- (a) interest shall accrue on the amount outstanding from the date of default at the maximum rate fixed for the time being under section 12 (2) generally in respect of deposits with a credit union or, where a rate of interest is prescribed for the purposes of this subsection, at the rate so prescribed; and
- (b) the Savings Reserve Board may recover the amount outstanding together with interest accrued thereon as a debt in any court of competent jurisdiction.

(5) Where—

- (a) a levy under subsection (1) is required to be paid by a credit union during the period between 31st March and the succeeding 30th June; and
- (b) the credit union has not forwarded a statement as at 31st March of the period referred to in paragraph (a) to the Savings Reserve Board under section 69P (1) (a),

the Savings Reserve Board may require the credit union to forward the statement to it within such period, being not less than 21 days, as is determined by the Savings Reserve Board and notified in writing to the credit union.

(6) Notwithstanding any provision of this Act or any other law to the contrary, a levy under subsection (1) shall, on payment into the Savings Reserve Fund, become the property of the Savings Reserve Board absolutely and shall be freed and discharged from any trusts, obligations,



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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*

AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

interests or charges to which it may have been subject in the hands of a credit union immediately prior to its payment into the Savings Reserve Fund.

(7) An amount paid by way of levy under subsection (1) shall not be taken into account in determining the amount a credit union is required to have or keep on deposit with the Savings Reserve Fund pursuant to section 69P (1) (b).

69R. Any money in the Savings Reserve Fund which is not immediately required for the purposes of the Savings Reserve Fund may be invested—

- (a) in any manner in which trustees are for the time being authorised to invest trust funds; or
- (b) in any prescribed securities.

69S. (1) The Savings Reserve Board may, at its discretion, give financial assistance to a credit union by making payments from the Savings Reserve Fund by way of grant or loan to the credit union.

(2) The Savings Reserve Board may make a grant or loan upon such security, if any, and upon such terms and conditions, as it thinks fit.

69T. Where, in the opinion of the Savings Reserve Board, the amount of the Savings Reserve Fund has increased to such an extent that it is justified in doing so, the Savings Reserve Board may pay a dividend out of the

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

Savings Reserve Fund, at such rate with respect to the total amount then on deposit with the Savings Reserve Fund pursuant to section 69P (1) (b) as it determines, to each credit union which, at the end of the preceding financial year, had on deposit with the Savings Reserve Fund the amount referred to in section 69P (1) (b).

Claims by  
members of  
credit  
unions.

69U. (1) A member of a credit union may, on or after 1st July, 1978, make a claim against the Savings Reserve Board where the credit union fails or refuses to satisfy any lawful demand of the member with respect to money paid by him as share capital to the credit union or money deposited by him with the credit union.

(2) A claim under subsection (1) may be made only within 6 months from the date of the demand referred to in that subsection or within such longer period as the Savings Reserve Board may allow.

(3) Where a member of a credit union dies before a claim on the Savings Reserve Fund arises or before a claim is determined, the claim may be made or pursued by his personal representative.

Determina-  
tion of  
members'  
claims.

69v. Where a claim under section 69U (1) is made against the Savings Reserve Board, the Savings Reserve Board shall, if it is satisfied as to the merits of the claim, pay the claim—

(a) in full; or

(b) where the Savings Reserve Board is of the opinion, having regard to such matters as it considers relevant, that it is unable to pay the claim

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*Credit Union (Amendment).*

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**SCHEDULE 1—*continued.***

**AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.***

in full, to the maximum extent determined by the Savings Reserve Board, in its discretion, to be appropriate.

69w. (1) Where, under section 69v, the Savings Reserve Board pays the whole or part of a claim, it shall be subrogated, to the extent of the payment, to all the rights and remedies of the claimant relating to the claim against the credit union in respect of which the claim is made.

(2) Where the Savings Reserve Board is subrogated under subsection (1) to the rights and remedies of a claimant—

- (a) the Savings Reserve Board shall be at liberty to exercise those rights and remedies in its own name or in the name of the claimant; and
- (b) any money recovered by the Savings Reserve Board in the exercise of those rights and remedies shall be paid into the Savings Reserve Fund.

(3) The Savings Reserve Board shall indemnify a claimant against any costs awarded against the claimant in any proceedings brought by the Savings Reserve Board under subsection (2) in the name of the claimant to enforce the rights and remedies of the claimant to which the Savings Reserve Board is subrogated.

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*DIVISION 3.—*Supervision of Credit Unions.*

Rules  
restricting  
operation  
of credit  
unions.

69X. (1) The Savings Reserve Board shall, within 1 month after the date of assent to the Credit Union (Amendment) Act, 1978, and, in any event, before 1st June, 1978, make rules specifying the circumstances in which a credit union, not being—

- (a) a credit union under the control of an administrator appointed under section 71A; or
- (b) a credit union subject to the direction of the Savings Reserve Board under this Division,

shall not accept money for share capital or deposits.

(2) Two copies of the rules referred to in subsection (1) signed by the Chairman of the Savings Reserve Board and certified by him as being those rules shall be lodged for registration with the registrar.

(3) If the registrar is satisfied that the rules referred to in subsection (1) are not contrary to this Act or the regulations and are such as may reasonably be approved by him, he shall register the rules.

(4) Section 26 applies in respect of the alteration of the rules referred to in subsection (1) in the same way as it applies in respect of the alteration of the rules of a credit union and in so applying that section—

- (a) a reference to a credit union shall be construed as a reference to the Savings Reserve Board; and
- (b) a reference to a special resolution shall be construed as a reference to a resolution passed by a simple majority.

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*

AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

69y. (1) A credit union to which section 69x applies shall not, except with the approval of the Savings Reserve Board, accept money for share capital or deposits in contravention of the rules for the time being in force made by the Savings Reserve Board under that section. Contra-  
vention of  
rules.

(2) An approval of the Savings Reserve Board referred to in subsection (1) shall only be given where the Savings Reserve Board is satisfied that the credit union has made provision to protect adequately the members of the credit union against loss, otherwise than by recourse to the Savings Reserve Fund.

69z. (1) Where the registrar is satisfied that a credit union has committed a breach of section 69y, the credit union shall, except as provided by subsection (2), be wound up upon the certificate of the registrar. Winding  
up, etc.,  
of credit  
union which  
contravenes  
rules.

(2) The registrar may dispense with the issue of a certificate under subsection (1) for the winding up of a credit union if, within 3 months of the date on which he is satisfied that the credit union has committed a breach of section 69y—

- (a) arrangements, approved by the registrar, are made under Division 4 of Part III for the amalgamation of the credit union with another credit union or the transfer of the engagements of the credit union to another credit union; or
- (b) the members of the credit union agree, by special resolution at a general meeting, to write down the share capital of the credit union and their deposits with the credit union to an extent approved by the registrar.

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*Credit Union (Amendment).*


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SCHEDULE 1—*continued.*


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AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

(3) Part VII applies in respect of the winding up of a credit union upon a certificate of the registrar under subsection (1) in the same way as it applies in respect of the winding up of a credit union upon a certificate of the registrar under that Part.

Credit  
union  
subject to  
direction  
of Savings  
Reserve  
Board.

69AA. (1) Where—

- (a) a credit union fails to comply with section 50 (2), 69P or 69Q or the rules for the time being in force under section 69x;
- (b) the Savings Reserve Board is of the opinion that the affairs of a credit union are being conducted in an improper or financially unsound manner;  
or
- (c) the registrar recommends to the Savings Reserve Board that a credit union be made subject to the direction of the Savings Reserve Board,

the Savings Reserve Board may, by resolution, declare the credit union to be subject to its direction from such date as is specified in the resolution.

(2) The Savings Reserve Board shall give written notice of a resolution made under subsection (1) to the credit union in respect of which the resolution is made and to the registrar within 14 days after the making of the resolution.

*Credit Union (Amendment).*

SCHEDULE 1—*continued.*

AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

69AB. (1) Where a credit union is subject to the direction of the Savings Reserve Board, the credit union shall remain subject to the direction of the Savings Reserve Board until—

Duration of  
supervisory  
period.

- (a) the Savings Reserve Board, by resolution, declares that the credit union has ceased to be subject to its direction; or
- (b) an official manager, administrator or liquidator of the credit union is appointed pursuant to Part VII,

whichever first occurs.

(2) The Savings Reserve Board shall give written notice of a resolution made under subsection (1) (a) to the credit union in respect of which the resolution is made and to the registrar within 14 days after the making of the resolution.

69AC. A credit union dissatisfied with—

Appeals.

- (a) a resolution of the Savings Reserve Board under section 69AA (1); or
- (b) the failure or refusal of the Savings Reserve Board to make a declaration under section 69AB (1) (a) within 21 days after the date of a request from the credit union to do so,

may appeal to the Credit Union Appeals Tribunal constituted under section 69AG.

69AD. (1) Where a credit union is subject to the direction of the Savings Reserve Board, the Savings Reserve Board may do any one or more of the following :—

Supervisory  
powers.

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

- (a) require the credit union to correct any practices that in the opinion of the Savings Reserve Board are undesirable or unsound;
- (b) prohibit or restrict the raising or lending of funds by the credit union or the exercise of any other powers of the credit union; or
- (c) stipulate principles in accordance with which the affairs of the credit union shall be conducted.

(2) Nothing in subsection (1) affects the exercise or performance by the registrar of any power, authority, duty or function conferred or imposed on him by or under this Act.

Appoint-  
ment  
of auditor  
by Savings  
Reserve  
Board.

69AE. (1) The Savings Reserve Board may, at any time, appoint an auditor to audit the accounts of a credit union whether or not those accounts have been audited under section 66.

(2) An auditor appointed under subsection (1) may require any director or other officer of a credit union to produce all or any of the books or documents of the credit union and to furnish such information as is necessary to enable the audit to be made.

(3) A director or other officer of a credit union who refuses or fails, without lawful excuse, to produce any books or documents required to be produced under subsection (2), or to furnish any information required of him under that subsection, shall be guilty of an offence and, upon summary conviction, liable to a penalty not exceeding \$600 or to imprisonment for a period not exceeding 6 months, or to both.



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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*

AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

DIVISION 4.—*Appeals.*

69AF. In this Division, "Tribunal" means the Credit Union Appeals Tribunal constituted under section 69AG. Interpre-  
tation:  
Pt. VA,  
Div. 4.

69AG. There shall be a Credit Union Appeals Tribunal which shall consist of a stipendiary magistrate nominated by the Minister of Justice. Credit  
Union  
Appeals  
Tribunal.

69AH. (1) Appeals to the Tribunal shall be made in the manner prescribed and be accompanied by such fees and deposits towards costs as may be prescribed. Proceedings  
before the  
Tribunal.

(2) The practice and procedure relating to appeals to the Tribunal, and the conduct of appeals before the Tribunal, shall be such as may be prescribed.

69AI. (1) The Tribunal shall, for the purposes of hearing and determining an appeal, have all the powers, authorities, duties, functions and discretions which the Savings Reserve Board had in respect of the matter the subject of the appeal. Powers of  
the  
Tribunal.

(2) In an appeal before it, the Tribunal may do any one or more of the following things, as to it seem proper, that is to say, the Tribunal may—

(a) if at the time and place appointed for the hearing of the appeal—

(i) the appellant does not appear—dismiss the appeal;

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

- (ii) the appellant does, but any other party does not, appear—commence and conclude the hearing of the appeal and make its decision, in the absence of that other party,  
or adjourn the hearing of the appeal for such period as it thinks fit;
- (b) adjourn the hearing of the appeal for such period as it thinks fit;
- (c) permit, subject to any adjournment it thinks proper, the amendment of any notice, particulars or other matter relating to the appeal in which any error, uncertainty, defect or omission is apparent;
- (d) permit the appeal to be withdrawn; or
- (e) except as may be provided by section 69AH (2), regulate its own procedure.

(3) In the exercise and discharge of its powers, authorities, duties, functions and discretions, the Tribunal shall not be bound to follow strict legal procedure or to observe the rules of law governing the admission of evidence.

Conduct of  
appeal.

69AJ. (1) An appeal to the Tribunal shall be conducted wholly in camera.

(2) The parties to an appeal to the Tribunal may appear by an agent or be represented by counsel or a solicitor.

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*

AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

69AK. (1) The parties to an appeal to the Tribunal shall, subject to any objection, which shall be determined by the Tribunal, submit to be examined by the Tribunal in relation to the appeal and shall, subject as aforesaid, produce before the Tribunal all books, deeds, papers, accounts, writing and documents within their possession or power respectively which may be required. Evidence.

(2) The Tribunal may, by notice in writing served on any person, order the attendance before it of that person for the purpose of giving evidence or producing documents.

(3) The witnesses in an appeal to the Tribunal shall, if the Tribunal thinks fit, be examined on oath or affirmation.

(4) A person who wilfully and corruptly gives false evidence before the Tribunal shall be guilty of perjury as if the evidence had been given on oath in court, and may be dealt with, prosecuted and punished accordingly.

69AL. The Tribunal may, in determining an appeal, make such order with respect to the matter the subject of the appeal as to it seems proper. Determination of appeal.

69AM. (1) The costs of an appeal to the Tribunal shall be in the discretion of the Tribunal which may direct to and by whom and in what manner those costs or any part thereof shall be paid. Costs.

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

(2) Costs directed to be paid under subsection (1) may be recovered as a debt in any court of competent jurisdiction.

(3) A certificate of the Tribunal containing a statement as to any matters relating to the award of costs under this section is admissible as evidence of those matters.

Effect and  
implementa-  
tion of  
Tribunal's  
order.

69AN. An order of the Tribunal under section 69AL—

- (a) shall have effect from the date thereof; and
- (b) shall be deemed to be the final decision of the Savings Reserve Board and shall be given effect to accordingly.

(7) Section 72A—

After section 72, insert :—

Repayment  
of amounts  
paid to  
the Savings  
Reserve  
Fund.

72A. Where a credit union is being wound up, the Savings Reserve Board shall, on demand by the liquidator of the credit union, pay to the liquidator—

- (a) except as provided by paragraph (b), the whole of the amount the credit union has on deposit with the Savings Reserve Fund pursuant to section 69P (1) (b); or

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*

AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

- (b) where the balance sheet of the Savings Reserve Fund last issued before the appointment of the liquidator of the credit union discloses a loss or deficiency in the Savings Reserve Fund, the whole of the amount referred to in paragraph (a) less an amount that bears to the amount of the loss or deficiency the same proportion as the amount referred to in paragraph (a) bears to the total amount paid by all credit unions pursuant to section 69P (1) (b) as shown in that balance sheet.

(8) Section 95B (1)—

Omit “by a credit union or an association by this Act or the regulations or the rules of that credit union or association”, insert instead :—

by—

- (a) a credit union or an association by this Act or the regulations or the rules of that credit union or association; or
- (b) the Savings Reserve Board by this Act or the regulations,

(9) Section 97 (3)—

After section 97 (2), insert :—

- (3) The Savings Reserve Board may, in respect of a credit union specified by it, recommend to the registrar either that an inspection be made under subsection (1) or that a statement and particulars be obtained under subsection (2), or both.

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*Credit Union (Amendment).*


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SCHEDULE 1—*continued.*AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

## (10) Section 98 (1A)—

After section 98 (1), insert :—

(1A) The Savings Reserve Board may, in respect of a credit union specified by it, recommend to the registrar that he exercise his powers under this section.

## (11) Section 103 (3)—

Omit “the Schedule to this Act and the Schedule, as so amended, shall be the Schedule to this Act.”, insert instead “Schedule 1.”.

## (12) Schedule, heading—

Omit “SCHEDULE.”, insert instead :—

## SCHEDULE 1.

## RULES OF CREDIT UNIONS AND ASSOCIATIONS.

## (13) Schedule 2—

At the end of the Act, insert :—

## SCHEDULE 2.

## THE SAVINGS RESERVE BOARD.

## PART 1.

CONSTITUTION AND PROCEDURE AT MEETINGS OF THE  
SAVINGS RESERVE BOARD.

Secs.  
69A (2),  
69C (2),  
69E (2).

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*

AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

1. In this Schedule—

“Chairman” means the person elected under clause 13 (1) as the Chairman of the Savings Reserve Board;

“member” means a member of the Savings Reserve Board.

2. The Savings Reserve Board shall consist of 7 members appointed by the Minister.

3. At least 5 of the members shall be persons who have been nominated for appointment in accordance with clause 4 or 5.

4. (1) A nomination of a person or persons for appointment as a member or members—

(a) may be made by—

(i) an association (not being a union of associations) having a membership of not less than 10 credit unions; or

(ii) a credit union which is not a member of an association referred to in subparagraph (i); and

(b) shall be made within such time and in such manner as is specified by the Minister in a notice in writing to the association or credit union entitled to make the nomination.

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

(2) An association to which subclause (1) (a) (i) of this clause applies shall, in its nomination, nominate 3 persons for appointment.

(3) A credit union to which subclause (1) (a) (ii) of this clause applies shall, in its nomination, nominate 1 person for appointment.

5. (1) Where a nomination is not made in accordance with clause 4 by an association or credit union entitled to make a nomination, the Minister may make the nomination.

(2) A nomination made by the Minister under subclause (1) of this clause shall be deemed to have been made by the association or credit union, as the case may be, entitled to make the nomination.

6. A member shall, subject to this Schedule, hold office for a period of 2 years and shall, if otherwise qualified, be eligible for reappointment as a member.

7. The registrar or any other person appointed by the Governor and employed in the administration of this Act is not eligible for appointment as a member.

8. A person who is of or above the age of 72 years is not eligible for appointment as a member.



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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*

AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

9. A member shall cease to hold office on the day on which he attains the age of 72 years.

10. The Minister may for any cause which to him seems sufficient remove a member from office.

11. A member shall be deemed to have vacated his office if he—

- (a) dies;
- (b) resigns his office by writing under his hand addressed to the Minister and the Minister accepts his resignation;
- (c) is absent from 3 consecutive ordinary meetings of the Savings Reserve Board of which reasonable notice has been given to him, unless with leave granted to him by the Savings Reserve Board;
- (d) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his remuneration for their benefit;
- (e) becomes a temporary patient, a continued treatment patient, a protected person or an incapable person within the meaning of the Mental Health Act, 1958, or a person under detention under Part VII of that Act;

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

- (f) is convicted of an offence under this Act or is convicted in New South Wales of a felony or a misdemeanour punishable by imprisonment for 12 months or upwards, or is convicted elsewhere than in New South Wales of an offence which if committed in New South Wales would be a felony or a misdemeanour so punishable; or
- (g) is removed from office by the Minister.

12. On the occurrence of a vacancy in the office of a member, otherwise than by the expiration of the term for which he was appointed, the Minister may appoint a person to hold that office for the balance of his predecessor's term of office, and, where the vacancy has occurred in respect of a member referred to in clause 3, the person shall be a person nominated under clause 4 or 5 in the same manner as his predecessor.

13. (1) There shall be a Chairman of the Savings Reserve Board who shall be elected by the members from among their number.

(2) Subject to subclause (3) of this clause, the Chairman shall hold office for the term, or the balance of the term, as the case may be, for which he is appointed to be a member and, if otherwise qualified, shall be eligible for re-election as Chairman.

(3) The Chairman shall cease to hold office as Chairman if he—

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*

AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

- (a) resigns his office;
- (b) ceases to be a member; or
- (c) is removed from office by the unanimous vote of all other members of the Savings Reserve Board.

14. (1) The Chairman shall preside at all meetings of the Savings Reserve Board at which he is present.

(2) Where the Chairman is absent from a meeting of the Savings Reserve Board, the members present shall elect one of their number to preside at that meeting.

(3) The Chairman or member presiding at a meeting of the Savings Reserve Board shall have a deliberative vote and, in the event of an equality of votes, shall, except in relation to the making, alteration, substitution or repeal of the rules referred to in section 69x (1), have a second or casting vote.

15. (1) Four members shall form a quorum at any meeting of the Savings Reserve Board and any duly convened meeting at which a quorum is present shall be competent to transact any business of the Savings Reserve Board.

(2) Questions arising at a meeting of the Savings Reserve Board shall be determined by a majority of votes of the members present and voting.

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*

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AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

16. The procedure for the calling of meetings of the Savings Reserve Board and for the conduct of business at those meetings shall, subject to this Schedule and any regulations made in relation thereto, be as determined by the Savings Reserve Board.

17. (1) The Savings Reserve Board shall give at least 24 hours' notice of each meeting of the Savings Reserve Board to the registrar.

(2) The registrar or a person nominated in writing by the registrar to the Chairman, being a person appointed by the Governor and employed in the administration of this Act, or the registrar and any such person, may attend a meeting of the Savings Reserve Board.

18. Each member is entitled to be paid such remuneration (including travelling and subsistence allowances) as the Minister may from time to time determine in respect of him.

## PART 2.

PROVISIONS RELATING TO THE EXECUTION OF  
GUARANTEES.

19. The Savings Reserve Board may, in agreeing to execute a guarantee, impose such conditions as, in its opinion, are appropriate.

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*

AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

20. A guarantee executed by the Savings Reserve Board is not enforceable against the Savings Reserve Board until the creditor has exercised all his rights and remedies under all other securities held by or for him in respect of the debt guaranteed, other than the guarantee.

21. The Savings Reserve Board may, as a condition of a guarantee, require the creditor to obtain, take and hold, or retain and hold, such securities for the payment of the principal debt and interest thereon as the Savings Reserve Board requires.

22. The Savings Reserve Board may execute a guarantee notwithstanding that it includes any interest (including compound interest), charges and expenses chargeable by the creditor against the principal debtor and the expenses of enforcing or obtaining or endeavouring to enforce or obtain payment of the debt guaranteed, that interest and those charges and expenses.

23. Where the Savings Reserve Board executes a guarantee, any assignment or encumbrance of the guarantee by the creditor without the consent of the Savings Reserve Board has no force or effect.

24. The Savings Reserve Board shall not execute a guarantee if the amount guaranteed would, together with the amounts of all other guarantees executed by the Savings Reserve Board and then in force, or agreed to by the Savings Reserve Board but not then executed, exceed such amount as may be determined from time to time by the Treasurer and notified to the Savings Reserve Board.

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

## PART 3.

## PROVISIONS RELATING TO LOANS.

25. The Savings Reserve Board shall establish a reserve for loan repayment fund in respect of each loan or renewal loan raised by it.

26. The Savings Reserve Board shall during each year transfer from the Savings Reserve Fund to each fund established under clause 25 a sum not less than the sum that the Savings Reserve Board in the application for approval of the loan specified as the sum proposed to be so transferred.

27. Money held as a reserve for loan repayment may be invested in Government securities of the Commonwealth or of the State, or in any securities guaranteed by the Government of the State, or in such other securities as the Governor may approve or as may be prescribed, in each case at their current market price.

28. Any interest or profits realised on investments made under clause 27 shall be added to and form part of the reserve for loan repayment fund from which the investments were made.

29. All money paid into the reserve for loan repayment fund in respect of any loan or renewal loan may be applied in or towards repayment of any other loan or renewal loan but may not be applied for any other purpose until the loan or renewal loan in respect of which the fund has been established has been repaid.

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*Credit Union (Amendment).*

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SCHEDULE 1—*continued.*

AMENDMENTS TO THE CREDIT UNION ACT, 1969—*continued.*

30. If, after a loan has been repaid, there remains in the reserve for loan repayment fund in respect of that loan any balance, that balance shall be paid to the credit of the Savings Reserve Fund.

31. A reserve for loan repayment fund shall not be subject to seizure in satisfaction of any debt other than the loan in respect of which the reserve was created.

32. This Part of this Schedule does not apply to a loan to be repaid by instalments at intervals of one year or less.

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SCHEDULE 2.

Sec. 4.

FURTHER AMENDMENTS TO THE CREDIT UNION ACT, 1969, BY  
WAY OF STATUTE LAW REVISION.

(1) Section 3 (2)—

Omit the subsection.

(2) (a) Section 12 (10)—

Omit "Registrar", insert instead "Commission".

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*Credit Union (Amendment).*

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**SCHEDULE 2—*continued.*****FURTHER AMENDMENTS TO THE CREDIT UNION ACT, 1969, BY  
WAY OF STATUTE LAW REVISION—*continued.***

## (b) Section 12 (10)—

Omit “under this Act”.

## (c) Section 12 (11)—

Omit “Registrar”, insert instead “Commission”.

## (d) Section 12 (11)—

Omit “under this Act”.

## (3) Section 28 (3)—

Omit “Registrar of Companies”, insert instead  
“Commissioner for Corporate Affairs”.

## (4) (a) Section 36 (5)—

Omit “Registrar”, insert instead “Commission”.

## (b) Section 36 (5)—

Omit “under this Act”.

## (c) Section 36 (6)—

Omit “Registrar”, insert instead “Commission”.

## (d) Section 36 (6)—

Omit “under this Act”.

## (5) Section 55 (3) (a), (b)—

Omit the paragraphs, insert instead :—



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*Credit Union (Amendment).*

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SCHEDULE 2—*continued.*

FURTHER AMENDMENTS TO THE CREDIT UNION ACT, 1969, BY  
WAY OF STATUTE LAW REVISION—*continued.*

- (a) if he becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his remuneration for their benefit;
  - (b) if he becomes a temporary patient, a continued treatment patient, a protected person or an incapable person within the meaning of the Mental Health Act, 1958, or a person under detention under Part VII of that Act;
  
- (6) (a) Section 71—  
Omit “Registrar”, insert instead “Commission”.
  
- (b) Section 71—  
Omit “under this Act”.
  
- (7) (a) Section 72 (8) (b)—  
Omit “Registrar”, insert instead “Commission”.
  
- (b) Section 72 (8) (b)—  
Omit “under this Act”.
  
- (8) Section 105 (2)—  
Omit the subsection.

SCHEDULE 2—*continued.*

(9) Section 106 (2)—

(10) Section 107 (2)—

**Omit the subsection.**