

**GOVERNMENT INSURANCE OFFICE (PRIVATISATION)
AMENDMENT ACT 1992 No. 14**

NEW SOUTH WALES



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**GOVERNMENT INSURANCE OFFICE (PRIVATISATION)
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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.

(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]*