

BUILDING SOCIETIES.

10° Elizabeth II., No. XLI.

No. 41 of 1961.

**AN ACT to amend the Building Societies
Act, 1920-1925.**

[Assented to 16th November, 1961.]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and the Legislative Assembly of Western Australia, in this present Parliament assembled, and by the authority of the same, as follows:—

1. (1) This Act may be cited as the *Building Societies Act Amendment Act, 1961.* Short title and citation.

(2) In this Act the Building Societies Act, 1920-1925, is referred to as the principal Act. Reprinted as approved for reprint 13th June, 1960.

(3) The principal Act as amended by this Act may be cited as the Building Societies Act, 1920-1961.

Commence-
ment.

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

(2) It shall not be necessary to proclaim that the whole Act shall commence on one day, but the several sections may be proclaimed to commence on such days as are respectively fixed by proclamation.

§ 3 amended.

3. Section three of the principal Act is amended—

(a) by adding after the passage, “subject-matter,—” in line two the following interpretations—

“Advisory Committee” means the Building Societies Advisory Committee constituted pursuant to the provisions of this Act;

“Borrowing member” means an investing member who has borrowed or obtained an advance on shares held by him and has not discharged the liability so incurred;

(b) by adding after the interpretation, “Court” the following interpretations—

“Director” means a member of a committee of management;

“Dwelling-house” includes a dwelling-house in course of erection, or to be erected, and the land upon which the dwelling-house is erected, is in course of erection, or is to be erected;

(c) by adding after the interpretation, “Leasehold” the following interpretations—

“Member” means an investing member or a borrowing member, as the case may be;

“Officer”, in relation to a society, means a director or the secretary of the society, or other person empowered

by the rules of the society to act or give directions in respect to the business, operations and management of the society; ;

- (d) by substituting for the interpretation, "Registrar" the following interpretation—

"Registrar" means the person appointed to the office of Registrar of Building Societies pursuant to the provisions of this Act, and includes the person appointed to act as Registrar during a vacancy in that office;

- (e) by adding after the interpretation, "Secretary" the following interpretations—

"Special resolution" means a resolution when it has been passed by a majority of not less than three-fourths of such members as being entitled so to do vote in person, or where proxies are allowed, by proxy, at a general meeting of which not less than twenty-one days' notice specifying the intention to propose the resolution as a special resolution has been given;

"Starr Bowkett society" means a society the rules of which provide—

- (a) for the determination of the society on the happening of a certain event or result specified in the rules of the society; and
- (b) for ascertaining, either solely or partly by ballot or the drawing of lots, the order in which advances are made to its members; ;

- (f) by adding to the interpretation, "Terminating society" after the word, "at" being the last word in that interpretation, the words, "but does not include a Starr Bowkett society";

(g) by adding after the interpretation, "Terminating society" the following interpretation—

"Valuer" means a person approved by the Minister to be a valuer under and for the purposes of this Act. .

Ss. 3A to 3G
added.

4. The principal Act is amended by adding after section three the following sections—

Administra-
tion.

3A. (1) Subject to the Minister, the Registrar shall administer this Act.

(2) The cost of the administration of this Act shall be paid out of moneys appropriated by Parliament for the purpose.

Appointment
of Registrar.

3B. (1) For the purposes of this Act, an office by the name of Registrar of Building Societies is hereby created.

(2) The Governor may appoint a person to the office for such term, at such remuneration, and subject to such conditions of service as the Governor determines from time to time, and is hereby authorised so to determine.

(3) The Governor may at any time appoint a person who shall act as Registrar during any vacancy in that office, and while so acting that person has and may exercise all the powers and functions of the Registrar.

(4) If the person appointed to the office of Registrar is an officer within the meaning of the Public Service Act, 1904, the appointment of that person does not prejudice or affect the provisions of that Act or other Acts applying to him as such an officer, and does not prejudice or affect his rights or obligations as such under any of those Acts.

Powers of
Registrar.

3C. The Registrar—

(a) has and may exercise the powers, functions and duties, and is entitled to the immunities, prescribed by this Act or by the regulations;

- (b) may take proceedings before a Court for any offences against this Act; and
- (c) shall have a seal of office.

3D. The Minister may from time to time ^{Valuers.} appoint as valuers for the purposes of this Act persons having the qualifications which the Advisory Committee recommends to the Minister as necessary or advisable that valuers under this Act should be required to have, and may at any time cancel or revoke any such appointment as he thinks fit.

3E. (1) For the purposes of this Act a body ^{Advisory Committee.} to be called the "Building Societies Advisory Committee" and having the functions prescribed by this Act shall be constituted as provided in this section.

(2) The Advisory Committee shall consist of five persons appointed as members for the purpose by the Governor.

(3) Of the five members—

- (a) one shall be the Registrar, who shall be chairman of the Advisory Committee;
- (b) two shall be persons who are qualified and experienced in building society management and practice;
- (c) one shall be the person occupying for the time being the office of President of the Commonwealth Institute of Valuers, West Australian State Branch; and
- (d) one shall be an officer of the Public Service of the State, nominated by the Minister.

(4) Subject to the provisions of this Act, a person appointed to the office of member, other than the Registrar and the person referred to in paragraph (c) of subsection (3) of this

section, shall hold that office for a term of three years, but upon expiration of any term of appointment is eligible for re-appointment.

(5) The Governor may re-appoint and at any time remove any member of the Advisory Committee, and may appoint a member to that Committee in place of a member so removed.

(6) No member of the Advisory Committee shall be required to devote the whole of his time and attention to the duties of the office but such time only as is necessary to discharge efficiently those duties, and, except where the member is an officer of the Public Service, shall be entitled to such remuneration and travelling and other expenses as the Governor determines from time to time.

(7) Procedural matters relating to the convening, holding and conduct of meetings of the Advisory Committee, including the constitution and powers of a quorum, are such as are prescribed by the regulations.

**Appoint-
ment of
deputies.**

3F. The Governor may appoint persons as deputies to act in the respective places of the Chairman and other members of the Advisory Committee when not able or available to act, and while so acting persons appointed as deputies may exercise the same powers and shall be entitled to the same rights and be subject to the same liabilities as the members for whom they so act.

**Functions of
Advisory
Committee.**

3G. Subject to the Minister the functions of the Advisory Committee are—

- (a) to make recommendations and submit proposals to the Minister from time to time with respect to—
 - (i) regulations and model rules to be made under this Act;
 - (ii) any action to be taken for promoting, encouraging and assisting in, the formation of societies;

- (iii) improving the methods of operation of societies;
 - (iv) charges which societies may make on and require to be paid by their members, other than share subscriptions and repayment of advances;
 - (v) the financing of societies in their operations and the protecting of the finances of societies;
 - (vi) promoting the building of dwelling-houses by co-operative effort;
 - (vii) determining and specifying the minimum standards of construction of dwelling-houses and other buildings to be accepted before advances can be made; and
 - (viii) such other matters as the Minister refers to the Advisory Committee from time to time, or as may be prescribed; and
- (b) to exercise and perform such other powers and duties as are conferred or imposed upon the Advisory Committee by this Act or by regulations made under this Act.

5. Section four of the principal Act is repealed and re-enacted as follows—

S. 4 repealed
and
re-enacted.

4. (1) (a) Any ten adult persons or more may form a society under this Act for the object of raising a fund by the payments, subscriptions or contributions of its members, and the receipt of deposits and loans as hereinafter provided, and the application of such fund in making loans or advances to its members on the security of freehold or leasehold property.

(b) Notwithstanding the provisions of paragraph (a) of this subsection, a lesser number than ten adult persons may form a society

under this Act in any case where the Advisory Committee, having regard to the circumstances of that case, considers that the society should be formed by such lesser number and so recommends to the Registrar.

(2) A society formed under this Act may be a permanent society, a terminating society, or a Starr Bowkett society, and subject to the provisions of sections nine, twenty-one and forty-three of this Act shall have power to raise money on loan in any manner it may think fit, and without limiting the generality of the foregoing, may raise money on loan by legal or equitable mortgage charged upon the undertaking and assets of the society, and in the case of a permanent society or a Starr Bowkett society may receive money on deposit.

(3) A society formed under this Act shall not after the coming into operation of the Building Societies Act Amendment Act, 1961, make any loan or advance unless the terms and conditions of the loan or advance provide for repayment of principal together with interest thereon, whether directly or by means of an amortisation fund, within a period not exceeding thirty years by regular instalments at intervals not exceeding three months, and for calculation of the interest by rests in respect of periods not longer than three months on commencement of the period in respect of which the interest is calculated.

(4) No company, society, association, partnership or body which consists of ten or more persons and is capable of registration or incorporation under this Act, or is intended to carry out the objects specified in paragraph (a) of subsection (1) of this section, shall, after the coming into operation of the Building Societies Act Amendment Act, 1961, be formed or operate or carry on business in this State, unless it is registered and continues to be registered as a building society and authorised to operate as such under and by virtue of this Act.

6. The principal Act is amended by adding after section four the following section—

S. 4A added.

4A. (1) A society under this Act shall, as far as necessary for the purpose for which it is formed, have power to hold land, or any interest therein, with the right of foreclosure, and may from time to time raise funds in accordance with the provisions of section four of this Act, and may repay such funds when no longer required for the purposes of the society.

Society may hold land.

(2) Notwithstanding the provisions of subsection (1) of this section, a society which becomes absolutely entitled to any land by foreclosure or by surrender, or other extinguishment of the right of redemption, shall sell or convert into money such land as soon as may be conveniently practicable after becoming so entitled.

(3) Any society holding land acquired prior to the commencement of this Act shall have power to sell or otherwise dispose of such land or to carry out any agreement already entered into by it in respect of any such land.

7. Section five of the principal Act is repealed and re-enacted as follows—

S. 5 repealed and re-enacted.

5. (1) An application to register a society under this Act shall be made in the prescribed form to the Registrar by an officer of the society who is authorised so to do, and the application shall be accompanied by two true copies of the rules for the government of the society agreed upon by the persons intending to form that society, signed by three of those persons and by the intended secretary.

Registration of societies.

(2) Every application shall state—

- (a) the name of the society;
- (b) all the objects and purposes of the society;
- (c) the situation of the office of the society;

- (d) the full name of the intended secretary of the society; and
- (e) the full name of each member of the committee of management of the society.

(3) Upon his being satisfied that the rules of the society contain all the provisions set forth in section nine of this Act, and are in conformity with this Act and suitable and adequate for carrying out and giving effect to the purposes of the society, the Registrar on payment of the prescribed fee shall register the society under this Act, and issue to the intended secretary a certificate of such registration, and shall return to him one of the copies of the rules submitted with the application, and thereupon the society shall be deemed to be established under this Act.

(4) Subject to the provisions of section fourteen of this Act, where any change occurs at any time in respect of any of the particulars stated in an application under this section, the secretary shall within fourteen days of the change give to the Registrar notice in writing thereof.

(5) Every society registered under this Act shall commence business within six months from the date of its registration, or within such further time as the Registrar upon the written application of the society may allow, and the Registrar shall cancel the registration of any society which fails to commence business within that period of six months or such extended period, as the case may be.

(6) Upon the cancellation of the registration of any society pursuant to the provisions of subsection (5) of this section, the Registrar shall forthwith notify in the *Gazette*, in the form or to the effect of the Fifth Schedule to this Act, that the registration of the society has been cancelled.

8. The principal Act is amended by adding after section five the following section— S. 5A added.

5A. A company, society, association, partnership or body of persons formed, or intended to be formed or incorporated, for all or any of the objects set forth in paragraph (a) of subsection (1) of section four of this Act shall not be registered under the provisions of any Act other than this Act. Society formed for purposes of this Act not to be registered under any other Act.

9. Section six of the principal Act is amended by substituting for the words, "calculated to deceive" in lines four and five the words, "likely to deceive or mislead". S. 6 amended.

10. Section eight of the principal Act is amended by substituting for the words, "one shilling" in line five the words, "the prescribed fee". S. 8 amended.

11. The principal Act is amended by adding after section eight the following section— S. 8A added.

8A. (1) The Governor may cause to be prepared and published in the *Government Gazette* model rules for societies registered or to be registered under this Act, and any such society may by resolution adopt as its rules the whole or any portion of those model rules, with or without modification. Model rules.

(2) Where a society is formed under this Act, then insofar as the rules lodged with the Registrar pursuant to the provisions of section five of this Act are not inconsistent with or do not exclude or modify the model rules in force at that time, the model rules shall so far as applicable be the rules of the society in the same manner and to the same extent as though contained in the rules so lodged.

(3) No amendment to the model rules shall apply to any society established prior to the coming into operation of the amendment, unless the society adopts by special resolution the amendment in its rules.

S. 9
amended.

12. Section nine of the principal Act is amended—

- (a) by deleting the passage commencing with the words, “with tables” in lines four and five of paragraph (c) and ending with the word, “separately”, being the last word in that paragraph;
- (b) by deleting the passage commencing with the words, “with tables” in line three of paragraph (d) and ending with the word, “limits”, being the last word in that paragraph;
- (c) by substituting for the passage, “auditors, and other officers” in lines three and four of paragraph (l), the passage, “other officers, and auditors”;
- (d) by substituting for the word, “auditors” in line three of paragraph (p), the word, “auditor”;
- (e) by substituting for paragraph (q) the following paragraph—
 - (q) The manner in which disputes between the society and any of its members, or any person claiming by or through any member, under the rules, shall be settled; ;
- (f) by deleting the passage, “, whether terminating or permanent,” in lines one and two of paragraph (u).

S. 10
amended

13. Section ten of the principal Act is amended—

- (a) by inserting after the word, “shall” in line two of subsection (2), the words, “within fourteen days of so doing”;
- (b) by inserting after the word, “Act” in line ten of subsection (2), the passage, “, and is suitable and adequate for the purposes of the society”.

14. Section eleven of the principal Act is amended by substituting for the words, "a sum not exceeding two shillings and sixpence" in lines five and six the words, "such sum as may be prescribed by regulations under this Act".

S. 11
amended.

15. The principal Act is amended by adding after section twelve the following sections—

Ss. 12A to
12C added.

12A. (1) For the purpose of managing and controlling its business and operations, every society shall have a committee of management which, except as provided in this section, shall have and may exercise for that purpose all or any of the powers of the society as if those powers had been expressly conferred on the committee of management by a general meeting of the society, but those powers shall be subject to any restrictions imposed by this Act or the regulations, or by the rules of the society.

Committee
of manage-
ment.

(2) The committee of management of a society shall consist of not less than five directors elected at a general meeting of the society in accordance with the rules of the society, but a person is not qualified to be a director unless he is a member of the society and has attained the age of twenty-one years:

Provided that the first directors shall be elected at the meeting for the formation of the society.

(3) The directors shall hold office and retire, and may be removed from office, as prescribed by the rules of the society.

(4) A vacancy occurs in the office of a director in such circumstances, if any, as may be prescribed by the rules of the society, or in any case where the director—

- (a) absents himself from three consecutive ordinary meetings of the committee of management without having obtained leave of absence from that committee;

- (b) becomes bankrupt, or as a debtor takes advantage of protection or relief under any law for the protection or relief of bankrupt debtors;
- (c) is convicted of an indictable offence, or other offence the nature of which, in the opinion of the Minister, renders the director unsuitable to hold the office;
- (d) through mental or physical infirmity or sickness, is unable satisfactorily to carry out the duties and perform the functions of the office;
- (e) tenders resignation from the office by notice in writing to the committee of management signed by him;
- (f) fails to pay any money due by him to the society within two months after the same becomes so due;
- (g) has a pecuniary interest, or is a partner or is an employee or is the employer of any person who has a pecuniary interest, either direct or indirect, in any agreement with the society otherwise than as a member, and in common with the other members, of another company or corporate body consisting of more than twenty persons or a wholly owned subsidiary of such company or corporate body, but the provisions of this paragraph shall not extend to any advance made by the society to the director in accordance with a special resolution;
- (h) ceases to be a member of the society;
- (i) is removed from office by resolution of a general meeting of the society; or
- (j) dies,

and any vacancy so occurring shall be filled as prescribed by the rules of the society.

(5) A committee of management shall meet as often as may be necessary for conducting the business and operations of the society, but in any case not less than once in every period of two months, and a quorum shall be as prescribed by the rules of the society but shall not in any case be less than half the number of directors.

(6) A committee of management shall elect in accordance with the rules of the society one of the directors to be the chairman of the committee, and the chairman shall hold office and retire, and may be removed from office, as prescribed by those rules.

(7) Every director acting in the business or operations of the society pursuant to the rules or to a resolution duly passed by the committee of management is deemed to be the agent of the society for all purposes within the objects of the society.

(8) The acts of a director shall be valid notwithstanding that a defect may subsequently be discovered in his appointment or qualification.

(9) A director—

- (a) shall not be liable to the society for any loss the society sustains, unless the loss was caused by his misconduct or negligence, or to his failure to comply with any provision of this Act, or of the regulations, or of the rules of the society;
- (b) shall not vote on any question in which he has any direct or indirect pecuniary interest otherwise than as a member and in common with the other members of the society, and, in the event of his so voting, his vote shall not be counted.

12B. (1) A director, or other officer of the society, shall not borrow from the society, and the society shall not make any advance to a director or other officer, except by special resolution of the society, and if any advance is made in contravention of this subsection, the

Director not
to borrow
from society.

directors who authorised the advance are jointly and severally liable for any loss suffered by the society in respect to such advance.

(2) A director, or other officer of the society, is entitled to be paid such fees and expenses as are fixed by a general meeting of the society but not exceeding such maximum amounts as are prescribed by the regulations.

Director not
to sell land
to member,
etc.

12C. Except where specifically authorised by a special resolution of the society, no director, or other officer of the society, shall—

- (a) sell any land, or act as agent for the sale of any land, to a member of the society who proposes to pay for that land, either in whole or in part, out of an advance made by the society;
- (b) undertake the erection, or act as agent in respect of the erection, of any dwelling-house for a member of the society who proposes to pay for such erection, either in whole or in part, out of an advance made by the society; or
- (c) accept as payment in whole or in part of any moneys due to him by a member of the society all or part of any advance made to that member by the society.

S. 13
amended.

16. Section thirteen of the principal Act is amended by substituting for the words, "calculated to deceive" in line seven of subsection (1) the words, "likely to deceive or mislead".

S. 14
amended.

17. Section fourteen of the principal Act is amended—

- (a) by inserting after the word, "registrar" in line two the words, "within fourteen days of the passing of the resolution effecting such change";
- (b) by substituting for the words, "within seven days from" in the last line the word, "upon".

18. Section sixteen of the principal Act is repealed and re-enacted as follows—

S. 16
repealed and
re-enacted.

16. (1) Two or more persons jointly may hold shares in any society under this Act.

(2) On and after the coming into operation of the Building Societies Act Amendment Act, 1961, a building society under this Act shall not issue any of its shares to, or to the nominee of a corporation or incorporated company that would result in—

(a) the shares held beneficially by any one corporation or incorporated company being in excess of ten per centum of the subscribed capital of the society;

or

(b) the aggregate of the shares held beneficially by corporations or incorporated companies being in excess of forty per centum of the subscribed capital for the time being of the society.

(3) Subject to the provisions of subsection (2) of this section, a building society may with the approval of the Registrar hold shares in another building society or other building societies.

19. Section seventeen of the principal Act is amended—

S. 17
amended.

(a) by inserting immediately after the section designation, "17" in line one the subsection designation, "(1)";

(b) by substituting for the word, "society" in line two the words, "permanent society or a Starr Bowkett society";

(c) by adding a subsection as follows—

(2) Subject to the rules of the society, the liability of any member of a terminating society under this Act shall not exceed the unpaid balance of his shares.

S. 18
amended.

20. Section eighteen of the principal Act is amended—

- (a) by adding after the word, “shares” in line two of paragraph (a) the passage, “and deposits, or either of them”;
- (b) by substituting for the word, “To” being the first word in paragraph (c) the passage, “With the prior approval of the Registrar, to”.

S. 18A
added.

21. The principal Act is amended by adding after section eighteen the following section—

Society
to obtain
valuation
before
making
advances.

18A. A society under this Act shall not advance money on the security of any freehold or leasehold property unless and until it has obtained from a valuer a valuation of, and report on, that property.

S. 19
amended.

22. Section nineteen of the principal Act is amended by substituting for subsection (3) the following subsection—

(3) The provisions of this section shall not prevent a society from taking from its mortgagor or any other person a second mortgage by way of collateral security

S. 19A added.

23. The principal Act is amended by adding after section nineteen the following section—

Dwelling-
houses on
which ad-
vances made
to conform
to minimum
construction
standards.

19A. A society under this Act shall not advance money on the security of premises the erection of which is commenced after the coming into operation of the Building Societies Act Amendment Act, 1961, unless the premises are erected in conformity with the minimum standards of construction prescribed by the uniform building by-laws

made under the Local Government Act, 1960, as adopted by the council of the municipal district wherein the premises are situated, or which, if not so adopted, shall for the purposes of this section be deemed to have been adopted by that council.

24. Section twenty-one of the principal Act is amended— S. 21
amended.

- (a) by adding after the word, "society" in line five of subsection (1) the following passage—

but the aggregate amount of deposits and loans at interest which a permanent society or a Starr Bowkett society may receive shall not exceed three times the amount for the time being actually subscribed by shareholders of the society and interest bonuses and profits thereon, unless the Registrar, upon the recommendation of the Advisory Committee, notifies a society in writing that it may receive a greater amount. ;

- (b) by deleting the proviso to subsection (1).

25. Section twenty-four of the principal Act is amended— S. 24
amended.

- (a) by inserting immediately after the section designation, "24" in line one the subsection designation, "(1)";
- (b) by substituting for the words, "Any society" in line one the passage, "A permanent society or a Starr Bowkett society";
- (c) by adding after the word, "or" in line eleven the passage, "subject to the provisions of subsection (2) of this section";
- (d) by adding a subsection as follows—

(2) Notwithstanding the provisions of the Trustees Act, 1900, a society under this Act shall not invest any portion of its

funds in any other building society, whether or not that building society is one in the shares of which trustees may invest pursuant to the Trustees Act, 1900, unless and until the society under this Act has obtained the approval of the Registrar to such investment.

S. 29
amended.

26. Section twenty-nine of the principal Act is amended by substituting for the passage, "Part VI. of the Companies Act, 1893" in lines one and two of paragraph (c) of subsection (1) the passage, "Part VIII of the Companies Act, 1943" or the corresponding provisions of any Companies Act for the time being in force.

S. 30
amended.

27. Section thirty of the principal Act is amended—

- (a) by substituting for the words, "Two or more societies under this Act" in line one of subsection (1) the following passage—

Any—

- (a) two or more permanent societies under this Act; or
 - (b) two or more Starr Bowkett societies under this Act; or
 - (c) two or more terminating societies under this Act, ;
- (b) by inserting after the word, "other" in line five of subsection (1) the word, "like";
- (c) by adding after subsection (2) the following subsection—

(3) Notwithstanding the provisions of subsection (1) of this section, no such union or transfer shall be carried out unless and until the terms agreed upon pursuant to the provisions of that subsection are approved by the Registrar.

28. Section thirty-two of the principal Act is amended by substituting for the word, "one" where it appears in each of lines three and eight of subsection (1) and in line two of subsection (2), the word, "two" in each case. S. 32
amended.

29. Section thirty-three of the principal Act is repealed and re-enacted as follows— S. 33 repealed
and
re-enacted.

33. (1) If upon an application to register a society under this Act, or to register any alteration of or addition to or rescission of the rules of a society, the Registrar—

- (a) refuses to register the society so applying for registration; or
- (b) fails to register the original rules, or any altered or additional rules or rescission of a rule of a society within thirty days of the transmission to him of the same,

the society may, by a summons issued and served upon the Registrar not less than six clear days prior to the return day thereof, summon the Registrar to show cause before a Judge why he should not register the society or, as the case may be, the original, altered or additional rules or rescission of a rule of a society.

(2) Upon the hearing of a summons issued pursuant to the provisions of this section, the Judge may make such order thereon as the circumstances of the case may require, and may make such order as to costs as to him may seem fit.

(3) An order made under this section is final, is not subject to any appeal, and has effect according to its tenor.

S. 33A added.

30. The principal Act is amended by adding after section thirty-three the following section—

Applications
for registra-
tion to be
referred to
Advisory
Committee.

33A. The Registrar shall refer to the Advisory Committee every application to register a society under this Act and if in any case the Advisory Committee advises the Registrar that in its opinion the requirements of the area to be served, or likely to be served, by the society are adequately and reasonably served by any existing society or societies, the Registrar shall refuse to register the society applying to be registered.

S. 34
repealed.
and
re-enacted.

31. Section thirty-four of the principal Act is repealed and re-enacted as follows—

34. (1) Every society under this Act shall prepare an annual return of its assets, liabilities and accounts in such form and containing such particulars as the Registrar, with the approval of the Minister, directs from time to time, either generally or with respect to any society.

(2) Every annual return shall—

- (a) be attested by the auditor, to whom the mortgage deeds and other securities belonging to the society shall be produced; and
- (b) be countersigned by the chairman of the committee of management and the secretary of the society.

(3) The auditor in attesting the annual return shall—

- (a) either report that the return is correct, duly vouched and in accordance with the law, or specially report to the society in what respects he finds the return incorrect, unvouched or not in accordance with the law; and
- (b) certify that at the audit he has either actually inspected the mortgage deeds or instruments and other securities

belonging to the society, or has verified in manner approved by the Registrar that the securities for advances made are held by the society and are in order; and

- (c) state the number of properties in respect of which securities, deeds or instruments have been produced to and actually inspected by him, or, as the case may be, verified by him.

(4) A copy of every annual return, together with any report of the auditor, shall be lodged with the Registrar within three months after the expiration of the financial year for which the return is prepared.

(5) Any member, depositor or creditor for loans shall be entitled to receive from the society, if required by him, a copy of the annual report and audited accounts.

(6) The financial year of a society under this Act shall end—

- (a) in the case of a permanent society or a Starr Bowkett society, on the thirtieth day of April;
- (b) in the case of a terminating society, on the last pay day of the society in the month of April,

but this subsection does not apply to any society carrying on business at the date of the coming into operation of the Building Societies Act Amendment Act, 1961, the financial year of which ends on a date other than that specified in this subsection.

32. Section thirty-five of the principal Act is repealed and re-enacted as follows—

S. 35
repealed.
and
re-enacted.

35. Notwithstanding anything contained in the rules of a society under this Act, the auditor of the society shall be a person registered as

an auditor under the provisions of the Companies Act for the time being in force, and he shall be the sole auditor of the society.

S. 36
repealed.

33. Section thirty-six of the principal Act is repealed.

S. 37
repealed and
re-enacted.

34. Section thirty-seven of the principal Act is repealed and re-enacted as follows—

37. (1) Whenever he deems it advisable or necessary the Registrar may do either or both of the following—

- (a) appoint an inspector to examine and report on the affairs of a society under this Act;
- (b) call a special meeting of the society.

(2) An inspector appointed under this section is hereby empowered and authorised to require production of all or any of the books, accounts, securities and documents of the society.

(3) The Registrar shall in respect to a special meeting called under this section—

- (a) specify the time and place at which the meeting shall be held; and
- (b) direct what matters are to be discussed and determined at the meeting,

and the meeting shall have all the powers of a meeting called pursuant to the rules of the society, and in all cases have power to appoint its own chairman, notwithstanding any rule to the contrary of the society.

S. 38
amended.

35. Section thirty-eight of the principal Act is amended—

- (a) by deleting the words, “wilfully and” in lines four and five of subsection (1);
- (b) by inserting after the word, “Act” in line six of subsection (1) the passage, “, or is unable to commence business”;

- (c) by substituting for the words, "Chief Secretary" in line eight of subsection (1) the word, "Minister";
- (d) by substituting for the word, "Treasurer" in lines five and six of subsection (6) the word, "Minister".

36. Section thirty-nine of the principal Act is amended— S. 39
amended.

- (a) by substituting for the words, "one-tenth" in line one of subsection (1) the words, "not less than one-fourth";
- (b) by substituting for the passage commencing with the word, "investigate" in line eight of subsection (1) and ending with the word, "meeting", being the last word in the subsection, the words, "order an investigation into the affairs of the society";
- (c) by substituting for the word, "award" in line five of subsection (2) the word, "order";
- (d) by substituting for the word, "award" in line one of the proviso to subsection (2) the word, "order";
- (e) by substituting for the words, "the making of any award" in line two of subsection (3) the words, "making any order".

37. The principal Act is amended by adding after section forty-three the following section— S. 43A added.

43A. The Registrar shall as soon as practicable after the thirtieth day of June in each year make to the Minister a report of his proceedings and the principal matters transacted by him under this Act during the year ending that date and the operation of the Act generally, and the Minister shall lay the report on the table of each Report of
Registrar.

House of Parliament within seven sitting days of such House next following his receipt of the report.

S. 48
repealed and
re-enacted.

38. Section forty-eight of the principal Act is repealed and re-enacted as follows—

48. Any promoter or officer of a society who accepts any commission, fee or reward, whether pecuniary or otherwise, from any person for or in connection with a transaction between that person and the society commits an offence under this Act and is liable, without prejudice to proceedings in respect of any other offence for which he may be liable, on summary conviction, to a fine not exceeding one hundred pounds, or to imprisonment for a term not exceeding six months.

S. 48A added.

39. The principal Act is amended by adding after section forty-eight the following section—

Offences by
valuers.

48A. (1) A valuer shall not report on, or make a valuation of, any property for the purpose of enabling an advance to be applied for or obtained upon the security of that property, if the valuer, or the husband, wife or any relative by blood or marriage of the valuer, has any interest, whether directly or indirectly, in the property or in the advance applied for or sought to be obtained upon the security of that property.

(2) Any valuer who knowingly and wilfully makes a valuation in contravention of the provisions of subsection (1) of this section, or makes a false or fraudulent valuation, commits an offence under this Act and is liable on summary conviction to a fine not exceeding one hundred pounds.