

BUILDING SOCIETIES.

No. 20 of 1977

AN ACT to amend the Building Societies Act, 1976.

[Assented to 27th October, 1977.]

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, 1977*. Short title and citation.
- (2) In this Act the Building Societies Act, 1976 is referred to as the principal Act.
- (3) The principal Act as amended by this Act may be cited as the Building Societies Act, 1976-1977.

Commence-
ment.

2. (1) Subject to subsection (2) of this section the provisions of this Act shall come into operation on the date on which this Act receives the Royal Assent.

(2) The provisions of paragraphs (b) and (d) of section 3 of this Act shall come into operation on a date to be fixed by proclamation.

Section 40
amended.

3. Section 40 of the principal Act is amended—

(a) by adding after the word “society” in the last line of subsection (1) the passage “ and amounts for which the society is or may become liable under or in respect of bills of exchange that it has indorsed, discounted or otherwise negotiated under subsection (1a) of section 48”;

(b) as to paragraph (b) of subsection (2), by deleting subparagraph (vi) and substituting a passage as follows—

(vi) the value of any investment in any security or class of security approved for the time being by the Registrar for the purposes of this section,

less the amount of any borrowings made by the society by way of bank overdraft. ;

(c) by deleting the words “two hundred days” in line three of the definition “authorised bill of exchange” in subsection (3) and substituting the words “two years”; and

(d) by repealing subsection (4) and re-enacting that subsection as follows—

(4) In calculating the value of any liquid funds for the purposes of this section—

(a) the value of any investment or security shall be taken to be its cost to the society or its market value, whichever is the less; and

- (b) the amount or value (as the case may be) of any funds shall not be taken into account if the funds are encumbered in any way other than by a floating charge over all the assets and undertakings of the society. .

4. Section 45 of the principal Act is amended— Section 45 amended.

- (a) by adding after the word “money” in line two of paragraph (a) of subsection (2) the passage “or indorse, discount or otherwise negotiate a bill of exchange drawn by the society under subsection (1a) of section 48”; and

- (b) by repealing subsection (3) and re-enacting that subsection as follows—

(3) This section shall not make it unlawful for a society to borrow money from another society in accordance with section 47 or, with the consent in writing of the Registrar, to—

- (a) borrow money from a banking or finance corporation, or from a director or other officer of the society; or
- (b) indorse, discount or otherwise negotiate a bill of exchange drawn by the society on a banking or finance corporation under subsection (1a) of section 48. .

5. Section 48 of the principal Act is amended— Section 48 amended.

- (a) as to subsection (1), by deleting the passage commencing with the word “but” in line three and ending with the word “amount” in the last line;

(b) by adding after subsection (1) subsections as follows—

(1a) In addition to its other powers a society may draw bills of exchange and indorse, discount or otherwise negotiate bills so drawn.

(1b) In consideration of the acceptance or payment, by the drawee, of a bill of exchange drawn by a society under subsection (1a) the society may execute a legal or equitable charge in favour of the drawee upon the undertaking of the society or upon all or part of the property and rights (present and future) of the society including its uncalled or unpaid share capital, subscriptions, loan repayments and other moneys.

(1c) Notwithstanding subsection (1) or (1a) a permanent society or a Starr Bowkett society shall not—

- (a) receive a deposit or loan at interest; or
- (b) indorse, discount or otherwise negotiate a bill of exchange drawn by it under subsection (1a),

if the total of—

- (c) the aggregate amount of deposits and loans at interest received by the society; and
- (d) the aggregate amount for which the society is or may become liable under or in respect of bills of exchange that it has indorsed, discounted or otherwise negotiated under subsection (1a),

would thereby be an amount exceeding four 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 the society in writing that that total may be a greater amount.
