

**GOVERNMENT INSURANCE OFFICE (PRIVATISATION)
AMENDMENT BILL 1992***

NEW SOUTH WALES



EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

The object of this Bill is to amend the Government Insurance office (Privatisation) Act 1991 to enable GIO Life Limited to have a relevant interest (i.e. a controlling interest) in 100% of the fixed shares of 1 permanent building society. Without the amendment, GIO Life Limited would be prevented from having a relevant interest in more than 10% of the fixed shares in a society.

The society concerned must comply with requirements set out in the Bill as to the rules, management and activities of the society. A summary of those requirements is as follows:

- The society must have consented to the shareholding by GIO Life.
- GIO Life's policy holders are entitled to become members of the society.
- GIO Life must hold the shares of the society as assets of its statutory fund under the Life Insurance Act 1945 of the Commonwealth.
- At least 60% of the society's loans must be for "owner-occupied" residential premises.
- The society is prohibited from lending money to GIO Life or its associates.
- A majority of the Board of the society must not be directors or employees of GIO Life or its associates.
- GIO Life will not be entitled to transfer shares in the society without the approval of the Registrar of Permanent Building Societies.
- Limitations are imposed on the amount the society can have in any one investment.

* Amended in committee—see table at end of volume.

Government Insurance Office (Privatisation) Amendment 1992 [Act 1992 No. 14]

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides that the proposed Act commences on the date of assent.

Clause 3 amends the Government Insurance Office (Privatisation) Act 1991 to give effect to the object described above.
