

Version No. 002
Co-operative Housing Societies Regulations
1995

S.R. No. 8/1995

Version incorporating amendments as at 1 July 2000

TABLE OF PROVISIONS

<i>Regulation</i>	<i>Page</i>
1. Objective	1
2. Authorising provisions	1
3. Revocation	1
4. Definitions	1
5. Application for registration	1
6. Certificate of incorporation	2
7. Registered office	2
8. List of members	2
9. Minutes of meetings	2
10. Change of name of a society	3
11. Advertisement of change of name	3
12. New certificate of incorporation on change of name	3
13. Registration of alteration of rules	3
14. Keeping of registers and accounts	3
15. Maximum amount of total fees to officers other than directors	4
16. Maximum total amount of fees to directors	8
17. Fee for directors appointed by Treasurer	8
18. Security to be provided by officers	8
19. Security for fulfilment of the duties of a liquidator	9
20. Fees for liquidator	10
21. Valuator's report	10
22. Treasurer's indemnity agreements	10
23. Model rules	10
<hr/>	
SCHEDULES	12
SCHEDULE 1—Forms	12
Form 1—Application to register a society	12
Form 2—Certificate of incorporation	14
Form 3—Application to register office of society	15

<i>Regulation</i>	<i>Page</i>
Form 4—Notice of change of address of registered office	16
Form 5—Full list of members	17
Form 6—Certificate of incorporation	18
Form 7—Application to register a special resolution	19
Form 8—Verification of valuator's report	21
SCHEDULE 2—Model rules for co-operative housing societies	22
SCHEDULE 3—Registers	68
<hr/>	
NOTES	71
1. General Information	71
2. Table of Amendments	72
3. Explanatory Details	73

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1. Objective

The objective of these Regulations is to prescribe fees, forms, model rules and such other things as give efficacy to the **Co-operative Housing Societies Act 1958**.

2. Authorising provisions

These Regulations are made under sections 8(6), 8(8), 9(4), 9(5), 9(6), 36(4), 39(1), 39(3), 41(3), 45(1), 47(2), 47(3), 49(6), 52, 53(2), 53(3), 58(3), 59(6), 77(1) and 98 of the **Co-operative Housing Societies Act 1958**.

3. Revocation

The Co-operative Housing Societies (Interim) Regulations 1994¹ are **revoked**.

4. Definitions

In these Regulations—

"Act" means the **Co-operative Housing Societies Act 1958**;

"Form" means a form in Schedule 1;

"GST" has the same meaning as it has in the A New Tax System (Goods and Services Tax) Act 1999 of the Commonwealth.

Reg. 4 def. of
"GST"
inserted by
S.R. No.
49/2000 reg. 5.

5. *Application for registration*

Every application for the registration of a society must be lodged with the Commission in Form 1.

6. *Certificate of incorporation*

Every certificate of incorporation of a society under the Act, except a certificate issued under section 9(5) or section 12(2) of the Act, must be in Form 2.

7. *Registered office*

- (1) Every application to register the office of a society must be lodged with the Commission in duplicate in Form 3.
- (2) The Commission must register the office by an appropriate entry in the register of societies.
- (3) Every notice of any change of address of the registered office must be in duplicate in Form 4 and must be registered by the Commission.

8. *List of members*

Every list of members furnished to the Commission under section 41(3) of the Act must be in Form 5.

9. *Minutes of meetings*

- (1) At every meeting of the society, board and any committee the secretary or other person deputed for the purpose by the board must take minutes of the proceedings and record them in the appropriate minute book.
- (2) The minutes of every meeting of the society, board and any committee must record the date and place of the meeting, the attendees of the meeting, the matters discussed at the meeting, the decisions made at the meeting and the action required to be taken as a consequence of the meeting.

- (3) The minutes of every meeting must be taken into consideration as the first business of the next general meeting of the society or next meeting of the board or committee (as the case may be) and must be signed after confirmation by the Chairperson of the meeting at which they are confirmed.
- (4) No motion or discussion with respect to the minutes, save one with respect to their accuracy as a record of the proceedings of which they purport to be a record and the motion to confirm the minutes, may be moved or had.

10. *Change of name of a society*

The time within which a society must notify the Commission of a proposed change of name is 1 month after the passage of the special resolution to change the name.

11. *Advertisement of change of name*

Within 30 days after registration of a change of name a society must cause the change of name to be advertised in a newspaper circulating generally in Victoria.

12. *New certificate of incorporation on change of name*

Every new certificate of incorporation issued consequent on the change of name of a society must be in Form 6.

13. *Registration of alteration of rules*

- (1) Every application for registration and certification of any special resolution altering the rules of a society must be made in duplicate in Form 7.
- (2) The application must be accompanied by a copy of the notice convening the meeting at which the special resolution was passed.

14. *Keeping of registers and accounts*

Co-operative Housing Societies Regulations 1995

S.R. No. 8/1995

- (1) Every society must keep the registers and accounts that will enable it to compile a balance sheet and financial accounts for each accounting period and, in particular, must keep—
 - (a) the registers required to be kept by section 39(2) of the Act;
 - (b) a register of withdrawals and forfeitures;
 - (c) a register of share transfers.
- (2) The registers must contain the matters set out in Schedule 3.

15. *Maximum amount of total fees to officers other than directors*

- (1) Subject to sub-regulations (2), (2A) and (3) from the first day of the financial year of a society following the commencement of this regulation the maximum total amount which may be paid in any financial year by a society to its officers other than directors for management of the day to day affairs of a society, including all expenses incidental to the management of the day to day affairs of the society, is an amount equal to 0.9% of the average total assets of the society for that financial year.
- (2) The total amount paid is to be reduced by any amount paid by the society under contractual arrangements with any person who is not an officer of the society for payment for the provision of assets, facilities or services utilised by any officer of the society in the management of the day to day affairs of the society.
- (2A) The total amount paid is to be increased by an amount equal to the amount (if any) of GST payable on the supplies to which the total amount paid relates.

Reg. 15(1)
amended by
S.R. No.
49/2000
reg. 6(1).

Reg. 15(2A)
inserted by
S.R. No.
49/2000
reg. 6(2).

- (3) If the total amount of a society's management expenses for a year exceeds its management income for that year, the amount by which the management expenses exceed the management income must be deducted from the total amount of fees paid to the society's officers other than directors for that year.
- (4) A society must not pay a fee to any officer other than a director except for the management of the day to day affairs of the society.
- (5) At the Annual General Meeting of a society, the members must determine the basis upon which the average total assets of the society in respect of that financial year will be calculated. The members must elect to adopt one of the two methods for calculation of "average total assets" of the society in respect of a financial year set out in sub-regulation (6).
- (6) The alternative methods for the calculation of the "average total assets" of a society are—
 - (a) the sum of the society's total assets less paid up share capital as reported in the audited balance sheet of the society as at the end of the financial year and the society's total assets less paid up share capital as reported in the audited balance sheet of the society as at the end of the previous financial year, divided by two;
 - (b) the sum of the society's total assets less paid up share capital as reported to the board in quarterly management accounts (which are to be in the same format as the annual financial statements of the society) as at each quarter end during the financial year, divided by four, provided that if the total assets and paid up share capital in the management

accounts for the fourth quarter are not identical to the amounts for the corresponding items in the audited financial statements for the financial year, the figure for total assets and paid up share capital reported in the audited balance sheet of the society as at the end of the financial year must be used instead of the figures in the fourth quarter management accounts.

(7) In this regulation—

"management expenses" in relation to a society in respect of a financial year means the total sums which have been paid or are payable by the society in respect of that financial year on account of—

- (i) fees payable to officers other than directors for management of the day to day affairs of the society and amounts referred to in sub-regulation (2) (if any);
- (ii) directors' fees;
- (iii) audit fees;
- (iv) supervision levy;
- (v) bank charges including loan establishment fees, annual fees, financial institutions duty and bank accounts debit tax (unless recovered from borrowers of the society);
- (vi) subscriptions to industry bodies for the society and the directors;
- (vii) conference and seminar expenses of directors;

"management income", in relation to a society in respect of a financial year, means the total

sums which have been received or are receivable by the society in respect of that financial year on account of—

- (i) management fees, transfer fees, entrance fees, withdrawal fees, insurance commission; and
- (ii) other fees and charges designated as management income in the rules of the society—

but does not include any fines paid to the society or the net interest margin earned by the society during the year;

"management of the day to day affairs of a society" means—

- (i) compilation and maintenance of all necessary records, registers and books of account;
- (ii) management of advances to borrowing members including assessment of applications for advances, collection, administration and any necessary enforcement;
- (iii) monitoring, administration and collection of subscriptions on shares and interest on unpaid subscriptions due from members;
- (iv) provision and maintenance of the registered office of the society;
- (v) raising and disbursement of funds;
- (vi) operation of all society bank accounts;
- (vii) maintenance of adequate insurances in relation to the exposure of the society's assets;

- (viii) liaison with the society's auditors, solicitors, lender and Government and statutory bodies;
- (ix) regular reporting to the Board;
- (x) provision of sufficient appropriate staff and office accommodation, supplies and technology as applicable;
- (xi) dealing with members of the society, including answering queries, investigating complaints and facilitating meetings.

16. *Maximum total amount of fees to directors*

- (1) Subject to sub-regulation (2), the maximum total amount of fees which in respect of any financial year may be paid by a society to its directors is the amount equal to 0.05% of the—
 - (a) total net liability of borrowing members; or
 - (b) in the case of societies acting under section 33A of the Act the total outstanding loan balances which have been or are being facilitated or managed by the society as at the date of the last audited balance sheet of the society.
- (2) The total amount referred to in sub-regulation (1) is to be increased by an amount equal to the amount (if any) of GST payable on the supplies to which the total amount relates.

Reg. 16
amended by
S.R. No.
49/2000
reg. 6(3).

Reg. 16(2)
inserted by
S.R. No.
49/2000
reg. 6(4).

17. *Fee for directors appointed by Treasurer*

A director appointed under section 49(2) of the Act who is not an officer of the public service may be paid a fee not exceeding \$25 with respect to each meeting of the board and general meeting of the society that he or she attends.

18. *Security to be provided by officers*

Co-operative Housing Societies Regulations 1995

S.R. No. 8/1995

- (1) The prescribed security for the purposes of section 53(3) of the Act is a policy of fidelity guarantee insurance from an insurance company—
 - (a) in a form; and
 - (b) in the sum of money (being not less than the amount equal to 5% of a society's total assets at the date of the last audited balance sheet of the society)—
approved by the board.
- (2) An officer or other person having the receipt or charge of any money of a society must not commence duties unless the prescribed security has first been obtained.
- (3) In sub-regulation (1) "**insurance company**" means a body corporate authorised under the Insurance Act 1973 of the Commonwealth to carry on insurance business.

19. *Security for fulfilment of the duties of a liquidator*

The security for the due fulfilment of the duties of a liquidator appointed under section 59(6) of the Act is—

- (a) an irrevocable guarantee of \$50 000 from a banking corporation as defined in the Corporations Law; or
- (b) a bond of \$50 000 given by—
 - (i) an insurance company authorised under the Insurance Act 1973 of the Commonwealth to carry on insurance business; or
 - (ii) a banking corporation as defined in the Corporations Law.

20. Fees for liquidator

- (1) Subject to sub-regulation (2), the fees to which a liquidator appointed under section 59(6) of the Act is entitled are the fees calculated by reference to the hourly rates applicable to the grades or classifications set out in the following scale:
- (2) The fees referred to in sub-regulation (1) are to be increased by an amount equal to the amount (if any) of GST payable on the supplies to which the fees relate.

Reg. 20 amended by S.R. No. 49/2000 reg. 7(1).

Reg. 20(2) inserted by S.R. No. 49/2000 reg. 7(2).

	<i>Rates per hour</i>	
	<i>Melbourne</i>	<i>Elsewhere in Victoria</i>
	\$	\$
Principal Appointee/Partner	275	265
Manager 1	178	174
Manager 2	153	149
Supervisor	128	125
Senior Grade 1	114	111
Senior Grade 2	93	91
Intermediate Grade 1	79	77
Intermediate Grade 2	75	73
Secretary/WP Operator	76	74
Computer Operator	72	70
Clerk	59	58
Typist	55	53
Junior	41	40

21. Valuator's report

Every valuator's report under section 58(3) of the Act must be verified in Form 8.

22. Treasurer's indemnity agreements

For the purpose of section 77(1) of the Act the prescribed amount is \$50 000 000.

23. Model rules

The model rules for a society are set out in
Schedule 2.

Co-operative Housing Societies Regulations 1995
S.R. No. 8/1995

Name:

Address:

Dated:

Director

Director

Director

Director

Director

Co-operative Housing Societies Regulations 1995

S.R. No. 8/1995

Sch. 1

FORM 2

Regulation 6

Co-operative Housing Societies Act 1958

CERTIFICATE OF INCORPORATION

This is to certify that
Limited is this day incorporated as a Co-operative Housing Society under the
Act.

Issued at Melbourne on

Victorian Financial Institutions Commission

Co-operative Housing Societies Regulations 1995
S.R. No. 8/1995

FORM 3

Regulation 7(1)

Co-operative Housing Societies Act 1958

APPLICATION TO REGISTER OFFICE OF SOCIETY

(To be submitted in duplicate)

Name of Society

To the Victorian Financial Institutions Commission.

Application is made to register the office of the society which is situated
at

Dated:

Chairperson of Directors
Secretary of Society

Registered on

Victorian Financial Institutions Commission

Co-operative Housing Societies Regulations 1995
S.R. No. 8/1995

Sch. 1

FORM 4

Regulation 7(3)

Co-operative Housing Societies Act 1958

NOTICE OF CHANGE OF ADDRESS OF REGISTERED OFFICE

(To be submitted in duplicate)

Name of Society:

To the Victorian Financial Institutions Commission.

Notice is given that the registered office of the society was removed
from to on

Chairperson of Directors

Secretary of Society

Registered on

Victorian Financial Institutions Commission

Co-operative Housing Societies Regulations 1995
S.R. No. 8/1995

FORM 5

Regulation 8

Co-operative Housing Societies Act 1958

Name of Society:

To the Victorian Financial Institutions Commission.

FULL LIST OF MEMBERS

I certify that the following is a full list of the members of the society as
at

<i>Surname (in block letters)</i>	<i>Given Names (in full)</i>	<i>Address</i>	<i>Number of shares held</i>

Dated:

(Signature of Secretary)

Co-operative Housing Societies Regulations 1995

S.R. No. 8/1995

Sch. 1

FORM 6

Regulation 12

Co-operative Housing Societies Act 1958

CERTIFICATE OF INCORPORATION

This is to certify that _____ Limited which was
incorporated as a Co-operative Housing Society under the Act on
has registered a change of its name and is now incorporated under the name
of _____ Limited.

Issued at Melbourne on _____ .

Victorian Financial Institutions Commission

FORM 7

Regulation 13(1)

Co-operative Housing Societies Act 1958

APPLICATION TO REGISTER A SPECIAL RESOLUTION

Name of Society:

To the Victorian Financial Institutions Commission.

We, _____ of _____

and _____ of _____

apply for registration of the following special resolution:

passed at a general meeting of the Society held on _____.

(Signed) _____

Chairperson of meeting

(Signed) _____

Secretary

And we declare:

1. That the following resolution is a true copy of the special resolution passed at a general meeting of the society.
2. That the special resolution was duly passed by a majority of not less than three-quarters of such members entitled under the rules to vote as were present in person at the meeting.
3. That notice specifying the intention to propose the resolution was duly given according to the rules of the society.
4. That a quorum of members as specified by the rules was present at the time that the resolution was passed.
5. That to the best of our knowledge and belief all the requirements of the Act and of the rules relating to the passing of special resolutions have been complied with.

And we acknowledge that this declaration is true and correct and make it in the belief that persons making a false declaration are liable to the penalties for perjury.

Declared at _____ in the _____
State of Victoria on _____

}

Before:

Co-operative Housing Societies Regulations 1995

S.R. No. 8/1995

a person authorised under
section 107A(1) of the
Evidence Act 1958 to
witness the signing of
statutory declarations.

[Insert Resolution]

The above Special Resolution of
was registered and certified on

Victorian Financial Institutions Commission

Co-operative Housing Societies Regulations 1995
S.R. No. 8/1995

FORM 8

Regulation 21

Co-operative Housing Societies Act 1958

VERIFICATION OF VALUATOR'S REPORT

I, _____ of _____ in
Victoria, hereby certify—

1. That I am not, nor to the best of my knowledge, information, and belief, is my *wife/husband or any relation by blood or marriage of mine, directly or indirectly interested in the property referred to in this report.

2. That I inspected the land _____ on
and I

[Insert Description]

*perused the plans and specifications

[Insert Description]

*made a complete inspection of the buildings on the land
on

3. That the information in this report contained is, to the best of my knowledge and belief, true and correct.
4. That I am of the opinion that the sum of \$ _____ is a fair and reasonable valuation—

*of the land and improvements thereon

*of the property when the buildings and other improvements as detailed in the plans and specifications have been completed on the land.

Given under my hand on

Signature

(A person who holds the qualifications or experience specified under section 13DA(1A) of the **Valuation of Land Act 1960**.)

*Strike out the words which are inapplicable

SCHEDULE 2

MODEL RULES FOR CO-OPERATIVE HOUSING SOCIETIES

1. *Name of Society*

The name of the Society is the name specified in Appendix 1 to these Rules.

2. *Status of Society*

The Society is a co-operative housing society incorporated under the **Co-operative Housing Societies Act 1958**.

3. *Registered office*

The Society's registered office is at the address specified in Appendix 1 to these Rules or as registered by the Commission from time to time.

4. *Act Overrides Rules*

If there is an inconsistency between these Rules and the Act, the Act prevails and the Rule is invalid to the extent of the inconsistency.

5. *Interpretation*

- (1) Certain words used in these Rules have the meanings given in the Dictionary.
- (2) Other words, unless there is a contrary intention, have the same meaning as in the Act.
- (3) The Appendixes form part of these Rules.

6. *Dictionary*

"accumulated funds" in relation to the Society means the total of members' funds of the Society including any retained surplus, any reserves of the Society and the statutory reserve of the Society as reported in the most recent audited annual accounts of the Society but excluding subscriptions paid on shares;

"Act" means the **Co-operative Housing Societies Act 1958**;

"Board" means the Board of Directors of the Society;

"borrowing member" means a member of the Society who owes money to the Society as a result of an advance made to the member by the Society;

"Commission" means the Victorian Financial Institutions Commission;

"discharge date", in relation to a borrowing member, means the date upon which the member's liability in respect of the advance is discharged;

"distributable amount", in relation to each borrowing member, means—

- (a) if the Society has reported a retained surplus of members' funds in the financial statements for the preceding financial year, an amount equal to the proportion of that surplus that is the same as the proportion of the number of shares held by that member on the last day of that financial year to the total number of shares held by borrowing members on that day; or
- (b) if the Society has reported a deficit in members' funds in the financial statements for the preceding financial year, an amount equal to the proportion of that deficit that is the same as the proportion of the number of shares held by that member on the last day of that financial year to the total number of shares held by borrowing members of that day; or
- (c) if the Society has reported neither a surplus nor a deficit, nil;

"distribution date" means the date on which the Society makes the distribution under Rule 22(1) each year;

"dues" means all amounts, including management fees, principal payments, interest and other authorised fees and charges, due by a member to the Society payable on a periodical payment date;

"erection of a dwelling-house on any land" includes all matters referred to in section 3(4) of the Act;

"fees and charges" means the fees and charges set out in Appendix 2;

"financial statements" means the balance sheet, income and expenditure statement and related notes, directors' report and directors' statement in a format approved by the Commission from time to time;

"interest" means the interest payable by a borrowing member in accordance with Rule 39;

"loan to valuation ratio" means the result of dividing the amount of the advance less subscriptions paid on shares, by the value of the security;

"management fees" means fees payable by the member in accordance with Rule 37;

"management of the day to day affairs of the Society" includes—

- (a) compilation and maintenance of all necessary records, registers and books of account;
- (b) management of advances to borrowing members including assessment of applications for advances, collection, administration and any necessary enforcement;
- (c) monitoring, administration and collection of subscriptions on shares and interest thereon due from members;
- (d) provision and maintenance of the registered office of the Society;
- (e) raising and disbursement of funds;
- (f) operation of all the Society's bank accounts;
- (g) maintenance of adequate insurances in relation to the exposure of the Society's assets;
- (h) liaison with the Society's auditors, solicitors, lender and Government and statutory bodies;
- (i) regular reporting to the Board;
- (j) provision of sufficient appropriate staff and office accommodation, supplies and technology as applicable;
- (k) dealing with members of the Society, including answering queries and investigating complaints and facilitating meetings;

"management organisation" means a natural person, partnership or company appointed by the Board for the management of the day to day affairs of the Society subject to the direction of the Board and who or which nominates a suitably qualified individual to fill the position of secretary of the Society;

"net liability" in relation to a member of the Society means the sum of the advance made to the member by the Society plus interest and other fees and charges payable by him or her less the sum of all money received from the member by the Society, in respect of interest, fees and charges (whether paid in advance or otherwise), and the sum of all principal payments made by the member to the Society at the discharge date, and taking into account the annual distributions made under Rule 22;

"periodical payment date" means the date as determined by the Board under Rule 24 upon which dues are payable by the member to the Society;

"principal payment" means the principal payment under Rule 39;

"statutory reserve" means the statutory reserve of the Society established under Rule 23;

"total assets" means all the assets of the Society less paid-up share capital.

7. *Society and members bound by the Rules*

These Rules bind the Society, all its members and all persons claiming through the Society or a member.

8. *Alteration of Rules by special resolution*

- (1) These Rules may be amended, rescinded or additional Rules made only with the approval of members by special resolution.
- (2) The Board must ensure that the steps necessary to have the alteration registered in accordance with section 47 of the Act are taken.
- (3) The alteration takes effect only when it is registered by the Commission.

9. *Inspection of Rules*

The Society must ensure that a copy of the Rules is available for inspection by members or persons eligible for membership at each of its offices, without fee.

10. *Copy of Rules*

- (1) The Society must ensure that the management organisation or secretary gives a copy of the Rules to an applicant for membership at the time of application for shares in the Society or to any member at other times upon request.
- (2) The Society may charge a fee for supplying a copy of these Rules to a member or applicant for membership, but this fee must not exceed the amount set out in Appendix 2.

11. *Objects of Society*

The Society has the following objects—

- (a) to enable each of its members—
 - (i) to purchase land and to erect a dwelling-house thereon;
 - (ii) to erect a dwelling-house on land already owned by the member;
 - (iii) to erect a dwelling-house on Crown land leased by the member for a term of not less than 50 years being Crown land within an area approved by the Governor in Council for the purposes of the Act;
 - (iv) subject to section 34 of the Act, to purchase land upon which is situated a dwelling-house;
 - (v) to maintain and keep in proper repair the member's dwelling-house;
 - (vi) where the approval of the Governor in Council given after consideration of a report by the Commission is first obtained, to discharge a mortgage held by another society upon any land;
 - (vii) to discharge a mortgage or any other charge or security over or affecting any land that was granted or executed by the member in question in anticipation of the Society's making an advance to the member and with the approval of the Commission to the making of the advance;

- (b) for all or any of those purposes to make advances to its members upon the security of freehold property or a lease for a term of not less than 50 years of Crown land within an area approved by the Governor in Council for the purposes of the Act.

12. *Power of Society to raise money*

The Society may, subject to the Act and these Rules, raise money on loan or in accordance with section 33(1A) of the Act for the objects of the Society.

13. *Seal*

- (1) The Society must, as required by section 36(2) of the Act, have its name inscribed in legible characters upon its seal.
- (2) The seal must be kept at the registered office in such custody as the Board determines.
- (3) The seal may be affixed only under the authority of a resolution of a general meeting or of the Board and such affixing must be attested by the signatures of—
 - (a) two directors; or
 - (b) one director and one other person authorised by the Board.

14. *Capital and shares*

- (1) The capital of the Society is to be raised by the issue of shares. The capital will vary in amount according to the nominal value of shares from time to time subscribed.
- (2) Shares in the capital of the Society are of a nominal value of \$100 each.
- (3) Separate classes of shares may be issued by the Society as determined by the Board but each class of shares ranks equally.

15. *Shareholding requirement*

Every member must hold at least one share in the Society.

16. *Membership*

- (1) Any natural person or two or more natural persons jointly are eligible for membership of the Society except—

-
- (a) a person who is under the age of 16 years;
 - (b) a person who is a member of any other society, unless that society has the same registered office as the Society and the Commission has consented in writing to that person becoming a member of the Society.
- (2) A person who is a member of a society that transfers its engagements to the Society under the Act becomes a member of the Society upon the issue by the Commission of a certificate confirming the transfer of engagements.

17. *Application for membership*

- (1) Application for membership or additional shares is to be made in writing in the form determined by the Board.
 - (2) In respect of each share applied for, the applicant must lodge the sum of 10 cents—
 - (a) if the application is made before registration of the Society, within 30 days of registration; or
 - (b) if the application is made after registration of the Society, at the time of the application.
 - (3) If the application is approved, the sum so lodged is to be applied to the amount owing for subscriptions.
 - (4) If the applicant does not pay the amount specified within the period set out in sub-rule (2), the Board may cancel the application.
 - (5) In addition, an entrance fee per share or additional share applied for, as set out in Appendix 2, must be lodged by a prospective borrowing member at the same time as the application for shares.
 - (6) The Board at its sole discretion may accept or reject an application for membership or for additional shares and need not give any reason for its decision.
 - (7) If an application for membership or additional shares is not approved by the Board, the whole of the money lodged in respect of the application must be returned to the applicant without interest.
 - (8) No member may apply for or be allotted more than one share before the Society is registered.
 - (9) The amount of subscriptions unpaid (\$99.90 per share) on shares allotted to the member must be paid in accordance with Rule 25.
-

18. Allotment of shares

If the Board approves an application for membership or additional shares, the relevant shares must be allotted to the applicant and—

- (a) in the case of an applicant for membership—
 - (i) the applicant's name must be entered in the share register of the Society; and
 - (ii) the applicant becomes entitled to the privileges of membership; and
 - (iii) the applicant becomes liable to pay the amount unpaid on the shares in the manner provided for in these Rules;
- (b) in the case of a member applying for additional shares—
 - (i) the number of shares allotted to the member must be entered in the share register of the Society; and
 - (ii) the member becomes liable to pay the amount unpaid on the shares in the manner provided for in these Rules.

19. Change of address

- (1) If a member changes address, that member must give written notice to the Society of the change within 7 days.
- (2) An applicant for membership who fails to give notice of a change of address in accordance with sub-rule (1) is taken to have withdrawn his or her membership application.

20. Liability of member to Society

- (1) A member, in accordance with section 26 of the Act, is liable to the Society for the amount unpaid on the shares held by that member and interest thereon together with outstanding fees and charges and other money payable by that member to the Society.
- (2) Subject to section 60 of the Act and these Rules, a member's liability to the society ceases on the discharge date.

21. Cessation of membership

A person ceases to be a member of the Society if—

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- (a) the member's shares are transferred to another person in accordance with these Rules and the transferee is registered as the holder of those shares;
 - (b) the member's shares are forfeited in accordance with these Rules;
 - (c) any power of sale (whether expressed or implied) in any mortgage given by the member to the Society is exercised by the Society;
 - (d) the member becomes bankrupt or insolvent under any law relating to bankruptcy or insolvency and the official receiver or assignee disclaims in accordance with the provisions of such law;
 - (e) on death, subject to the provisions of Rule 32;
 - (f) the contract of membership is rescinded on the ground of misrepresentation or mistake;
 - (g) the value of a member's share is repaid, or a refund in respect of the member's subscriptions is made to the member in accordance with these Rules; or
 - (h) the member has withdrawn his or her shares in accordance with these Rules.

22. Annual distribution

- (1) Subject to this Rule, the Society must, within 28 days of its annual general meeting, or within such further period as the Commission approves, distribute the distributable amount to each borrowing member by crediting or debiting the member's loan account.
- (2) A distributable amount in respect of a surplus is not to be credited to a member's loan account until the member has made the contribution to the statutory reserve required by Rule 23.
- (3) Until a member has made the contribution required by Rule 23, any distributable amounts accruing to him or her in respect of surpluses are to be paid into the statutory reserve and applied to that contribution.
- (4) On a distribution date, if there is any person to whom Rules 48(4)(e) and 48(5) apply—
 - (a) if the relevant distributable amount is in respect of a surplus of members' funds, the Board must forward the amount to the person and, if applicable, refund

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- any amount paid by the person under Rule 48(4)(e) in respect of an expected deficit;
- (b) if the relevant distributable amount is in respect of a deficit in members' funds—
- (i) if the amount is greater than the estimated amount under Rule 48(5), the Board must give a written notice to the person requesting him or her to pay the difference to the Society within 30 days;
 - (ii) if the amount is less than the estimated amount under Rule 48(5), the Board must forward the difference to the person;
 - (iii) if the estimated amount under Rule 48(5) was in respect of a surplus, the Board must give a written notice to the person requesting him or her to pay the whole of the relevant distributable amount to the Society within 30 days.
- (5) Each member of the Society agrees to pay an amount under sub-rule (4)(b)(i) or (iii) whether or not he or she is still a member of the Society at the time the notice requesting payment is given to him or her.

23. *Statutory reserve*

- (1) The Society is to have a statutory reserve consisting of contributions by borrowing members in accordance with this Rule.
- (2) Each borrowing member must contribute an amount equal to 1% of the total amount advanced to the member by the Society. The contribution is to be made from the member's entitlement to distributable amounts in respect of surpluses in members' funds.
- (3) The Society must keep a record of each borrowing member's contribution to the statutory reserve.
- (4) Subject to sub-rule (5), on the next business day after a distribution date the Board must transfer from the statutory reserve to the retained members' funds of the Society an amount calculated in accordance with the following formula—

$$A = SR - \frac{NA}{100}$$

where—

A is the amount to be transferred;

SR is the amount in the statutory reserve before the transfer;

NA is the amount equal to the value of the total assets as reported in the latest audited financial statements of the society.

- (5) An amount must not be transferred under sub-rule (4) to the extent that the amount in the statutory reserve following the transfer would be less than \$2000.
- (6) Except as otherwise provided in these Rules, funds from the statutory reserve may only be applied—
- (a) to meet the costs of winding up the Society; or
 - (b) to meet the costs of an administrator of the Society appointed by the Commission—

unless the Commission otherwise approves.

24. *Periodical payment dates*

- (1) Periodical payment dates are the dates fixed by the Board from time to time for the periodic payment by members of amounts owing to the Society and in the case of a borrowing member, as disclosed to the member in the member's Letter of Offer.
- (2) Any changes to the periodical payment dates must be notified in writing to members at least 30 days prior to the date of change.

25. *Subscriptions on shares*

- (1) If not paid before, the amount unpaid on unadvanced shares must be paid on the sooner of the member's withdrawal or the winding up of the Society.
- (2) The amount unpaid on advanced shares must be paid as provided by Rule 39.

26. *Extension of time for payments*

- (1) The Board may grant to a member, for such period and on such terms and conditions as the Board thinks fit, an extension of time for payment of dues by reason of illness or unemployment of the member or other special circumstance proved to the satisfaction of the Board.

- (2) During the period of any such extension under sub-rule (1), dues are not payable, but the member remains liable for the amount of such dues.
- (3) The Board must not grant an extension of time unless it has reasonable grounds to believe that the Society will be able to recover all money owed by the member.

27. *Withdrawal of shares*

- (1) A member may at any time not less than one year after the registration of the Society (or with the consent of the Board at any earlier time) withdraw any share or shares—
 - (a) upon which the member has not received an advance; or
 - (b) upon which the member has received an advance, but the liability in respect of that advance has been discharged or will be discharged upon withdrawal.
- (2) Except as provided in Rule 49, a member must give 30 days' notice of his or her intention to withdraw the shares.
- (3) The member is taken to have withdrawn the shares on the discharge date.
- (4) A notice of withdrawal may not be cancelled by the member without the consent of the Board.
- (5) A member shall be taken to have given notice of withdrawal on the date upon which the special resolution of the Society to wind up becomes effective.
- (6) The Society may charge a withdrawal fee in respect of each share as set out in Appendix 2.

28. *Treatment of subscriptions paid*

- (1) On withdrawal of shares by a member, the amount of the subscriptions paid by that member as at the periodical payment date preceding the date notice of withdrawal is received by the Society must be applied to reduce the net liability of the member required to discharge.
- (2) A member is not required to continue payment of subscriptions in respect of the shares proposed to be withdrawn after he or she has given notice of withdrawal.

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- (3) If the date for discharge of a member's liability has not been arranged by the member with the Society within 90 days after receipt of the notice of withdrawal, the Board may disregard the notice, reinstate the account and require the member to pay all dues which otherwise would have accrued during that period.

29. *Transfer of shares*

- (1) A share may not be sold or transferred without the consent of the Board.
- (2) The instrument of transfer of any share must be executed both by the transferor and the transferee, and the transferor is deemed to remain the holder of the share until the name of the transferee in respect of that share is entered in the Share Register.
- (3) The Society may charge a fee as set out in Appendix 2 on registration of the transfer of shares.
- (4) The Board must make a record of all transfers in the Share Register.

30. *Registration of transfer*

- (1) The Board must decline to register any transfer of shares—
- (a) to a person who is not eligible to be a member; or
 - (b) to a person whom the Board does not approve.
- (2) The Board may decline to register any transfer of shares during the period of 14 days immediately preceding each annual general meeting.
- (3) The Board may decline to recognise any instrument of transfer unless the instrument is accompanied by such evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

31. *Deceased member*

- (1) The legal personal representative or representatives of a deceased member are the only person or persons recognised by the Society as having any title to the share or shares registered in the name of the deceased member.
- (2) In the case of shares registered in the names of 2 or more persons as joint holders, the survivor or survivors or the legal personal representative(s) of the last survivor are the only persons recognised as having any title to the shares.
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- (3) The Board may require any evidence of the death of a joint holder of shares as it thinks fit.

32. *Treatment of shares of deceased member etc.*

Any person becoming entitled to shares in consequence of the death, bankruptcy or insolvency of a member, or in consequence of a member having made any arrangement or composition with the member's creditors or any assignment of the member's estate for the benefit of the member's creditors, upon production of evidence of title satisfactory to the Board, may either—

- (a) be registered as a member in respect of the shares if that person is otherwise eligible for membership under the Act and these Rules; or
- (b) instead of being registered as a member—
 - (i) transfer the shares as if that person were the registered holder of the shares; or
 - (ii) withdraw the shares (where no advance has been made on the shares) or withdraw the shares and discharge the liability in respect of the advance (where an advance has been made on the shares) in the same manner and subject to the same conditions as if that person were the registered holder of the shares.
- (c) If shares are held by the executor or administrator of a deceased member, the Board may by notice in writing to the executor or administrator, call upon that person to transfer the shares to an eligible person or to withdraw the shares within 6 months or such further time as the Board may allow and, unless the shares are so transferred or withdrawn, they may at the discretion of the Board be forfeited and dealt with as forfeited shares in accordance with the Act and these Rules.

33. *Forfeiture of shares: with notice*

- (1) If a member fails to pay dues on a share for 6 consecutive periodical payment dates, the share is liable to be forfeited.
 - (2) If the members of the Board present at a meeting unanimously consider it appropriate to forfeit a share which is liable to be forfeited, notice of intention to forfeit the share must be sent to the member by certified mail or registered post.
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- (3) Notice under sub-rule (2) must state the amount owing on the share and name a date, not less than 14 days after the date of the notice, after which the share will be forfeited if the dues remain unpaid.

34. *Forfeiture of shares: without notice*

The shares of a member are taken to be forfeited without the giving of notice required by Rule 33(2) if the official trustee or receiver or assignee disclaims in accordance with any law relating to bankruptcy or insolvency as to the shares of any member who becomes bankrupt or insolvent.

35. *Effects of forfeiture*

- (1) A person whose shares have been forfeited ceases to be a member of the Society, but remains liable to pay the Society all money payable by the member at the date of forfeiture.
- (2) A person whose shares are forfeited is liable to pay his or her proportion of any deficit calculated in accordance with Rule 22 in the same way as if he or she had withdrawn the shares.
- (3) A statutory declaration by a director of the Society that a share has been duly forfeited on the date stated in the declaration is prima facie evidence of such forfeiture having taken place as against all persons claiming to be entitled to the share. A forfeited share must be cancelled and may not be re-issued or sold.
- (4) Any money received by the Society in respect of a forfeited share (whether received before or after forfeiture) must be applied first towards satisfaction of any amount payable by the member as at the date of forfeiture and the balance must be paid to him or her.

36. *Charge on shares*

The Society has a charge upon the share or interest in the capital of a member or past member in respect of any debt due from the member or past member to the Society and may set off any sum credited or payable to a member or past member against the debt.

37. *Management fees*

- (1) A member who has obtained an advance from the Society must pay a management fee to the Society from the date the advance or first partial advance is made or after transfer under Rule 29 until the member's liability to the Society is

discharged. Where the period from the date of the advance, first partial advance or transfer to the first periodical payment date is less than one month, the management fee for that period is the pro-rata amount based on the applicable monthly management fee.

- (2) The management fee is the amount set out in Appendix 2.
- (3) The Board must give written notice to a member of the management fee payable by the member, and that the fee is payable at each periodical payment date after the date of the advance or first partial advance or date of transfer until the date on which the member discharges his or her liability to the Society.

38. *Advances*

- (1) Every application for an advance must be made on the form provided by the Society for that purpose and must be accompanied by the valuation fee set out in Appendix 2.
- (2) An advance may be made to a member only if that member holds shares of a nominal value equivalent to the amount of the advance.
- (3) A member is eligible for an advance only upon shares on which the initial subscriptions as provided in Rule 17(2), and any fees and charges due under these Rules, are paid up as at the date of the application for the advance.
- (4) If there are insufficient funds available to satisfy all applications for advances, priority between applications is to be determined according to the order in which the applications were received by the Society.

39. *Principal payments and interest payments*

- (1) On each periodic payment date a borrowing member must pay to the Society a principal payment calculated in accordance with sub-rule (2) plus interest calculated in accordance with sub-rule (3).
- (2) The principal payment is the amount required to pay by instalments the amount of subscriptions due on the shares allotted to the member and in respect of which the member has been entitled to an advance, within the period from the periodical payment date following the date of the advance or first partial advance until the periodical payment date prior to the expiry of the term of the advance.

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- (3) Interest is to be calculated upon the net liability of the borrowing member at such intervals and at such rate as is determined by the Board from time to time. The Board must give the member written advance notice of the rate of interest and method of calculation and any changes to either.
 - (4) The rate of interest must not cause the interest charged to the member to exceed the rate of interest charged to the Society on moneys borrowed by it unless prior approval from the Commission has been obtained by the Society.
 - (5) The rate of interest charged to the member may be less than the interest rate charged to the Society on moneys borrowed provided the Society follows the applicable interest discounting guidelines issued by the Commission from time to time and does not breach any agreement with the lender.
 - (6) If the full amount of the approved advance is paid to the member in one sum, principal payments and interest payments are to commence on the periodical payment date next after the advance is made.
 - (7) Subject to sub-rule (8), if the advance is made in instalments, the principal payments and interest payments in respect of the total amount of shares subscribed by the borrowing member are to commence on the first periodical payment date after the date on which the sum of the instalments is equivalent to \$50 for each relevant share.
 - (8) The Board may direct that an advance is to be made on shares in succession, in which case the principal payments and interest payments are to commence on the first periodical payment date after the date on which the sum of the instalments in respect of each relevant share reaches \$50.
 - (9) Principal payments by a borrowing member (but not interest payments) are to be applied to paying subscriptions on the member's shares and not in repaying the advance made to the member by the Society, except at the discharge date in accordance with Rule 48.

40. *Security for advances*

- (1) An advance may not be made unless—
 - (a) the property submitted as security is, or is intended after construction to be, the principal place of residence of the member; and

- (b) it is secured by registered mortgage over freehold land in Victoria or as otherwise allowed by the Act; and
 - (c) the purpose for which it is made is consistent with the objects of the Society as set out in Rule 11; and
 - (d) it is made in accordance with the Act and the Regulations.
- (2) If an application is made for an advance for any authorised purpose including purposes other than the erection of a dwelling-house, the Board must arrange for the valuation of the property submitted as security prior to any approval of the application.
- (3) The Board may decline to accept any security submitted and need not give any reasons for doing so.

41. *Form of mortgages*

- (1) A mortgage must—
- (a) conform to these Rules; and
 - (b) contain such usual and other covenants as the Board considers proper and necessary to secure the advance in accordance with these Rules; and
 - (c) secure all principal payments, interest, fees and charges and any other money for which a member is or may become liable under these Rules; and
- (2) The mortgage must contain a provision to the effect that the member is bound by these Rules and any subsequent alteration of them affecting the mortgage, despite any provision contained in the mortgage.

42. *Purchase of land and erection of house*

- (1) Rules 42 to 44 apply only to a member who applies for an advance for the purpose of purchase of land and erection of a dwelling-house on that land or of erection of a dwelling-house on land already owned by the member.
- (2) A member must submit plans and specifications of the building and improvements proposed to be erected with the application for the advance.
- (3) The member may be paid the advance in instalments as the construction of the house progresses.
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- (4) Such instalments may only be paid upon the certificate of the valuator appointed by the Board for that purpose so long as the loan to valuation ratio at the time the instalment is made does not exceed the approved anticipated final loan to valuation ratio on completion of construction.
 - (5) The cost of the work completed is to be assessed, and the estimated cost to complete is to be estimated, by a valuator appointed and approved by the Board for that purpose.
 - (6) The unpaid amount of the advance must not at any time be less than the amount determined by the most recent valuation as necessary to complete the house and improvements.
 - (7) When the dwelling-house is completed to the satisfaction of the Board and the actual construction costs are less than the amount of the advance approved for that purpose, any remainder of the approved advance, which has not been paid to the member, is deemed to be a reduction in the amount applied for by the member and the appropriate adjustment must be made to the member's shareholding and liability. Any subscriptions paid by the member in excess of the amount required must be refunded to the member.

43. Failure to complete works

- (1) If a member fails to complete a dwelling-house or improvements upon which an advance has been authorised, the Board may, at the expense of the member—
 - (a) complete the work required and direct the making of the advance as required;
 - (b) sell the property and recover the costs and expenses incurred in connection with the sale and any amount calculated in accordance with Rule 48 that would be payable by the member for the discharge of the member's mortgage as at the periodical payment date preceding the exercise of the power of sale.
 - (2) If the full amount has not been advanced on all shares held by the member, the member is to be taken to hold unadvanced and advanced shares respectively in the same ratio as the amount not advanced bears to the amount advanced and the member is to be taken to have withdrawn the unadvanced shares as at the periodical payment date preceding the exercise of the power of sale and must be given a refund in respect of subscriptions paid on the unadvanced shares accordingly.
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- (3) For the purposes of this Rule, the determination made by the Board that a member has failed to complete a dwelling-house or improvements is final and conclusive.

44. *Valuation and inspection of property*

- (1) If an application is made for an advance for the erection of a dwelling-house, the Board must arrange for—
- (a) the valuation of the land; and
 - (b) the examination of the plans and specifications of the dwelling-house and improvements proposed to be erected or made to the land; and
 - (c) the estimation of the value of the house and improvements when completed—
- prior to any approval of an application for such an advance.
- (2) For the purposes of these Rules, the Board must employ a valuator qualified and approved in accordance with the Act to perform all valuations required.
- (3) The Board may also arrange for the valuation and inspection of a property from time to time by a valuator appointed by the Board.
- (4) The member is liable for the fees for valuations and inspections set out in Appendix 2.
- (5) If the Society has made an advance in respect of which the Treasurer of Victoria has entered into an agreement in accordance with section 76 of the Act, the Board must arrange for subsequent valuations of the secured property in accordance with the terms of that agreement.

45. *Survey of property*

- (1) If the Board thinks fit, a survey of the land submitted as security for an advance may be made.
- (2) The member is liable for costs of such a survey as set out in Appendix 2.

46. *Solicitor*

- (1) The Board must appoint a qualified solicitor or a number of qualified solicitors to act as solicitor to the Society.
- (2) If such a solicitor is a member of the Society and applies for an advance, the Board must appoint another solicitor for the Society for the purposes of that application, and if an advance is made, thereafter in connection with the advance.
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47. *Costs of mortgage etc.*

All costs and expenses of the Society as set out in Appendix 2 in connection with the mortgage of any property or the discharge or variation or transfer of a mortgage, (except a transfer under section 33(1A) of the Act, unless the Commission otherwise approves), must be paid by the member concerned.

48. *Discharge of liability*

- (1) A member who has had an advance in respect of any shares may discharge his or her liability to the Society in accordance with this Rule.
- (2) A member must give the Society 30 days' written notice, or such lesser period as the Board may allow, of his or her intention to discharge the liability.
- (3) The date at which the liability of the member is determined is the periodical payment date preceding the date on which notice of discharge is received by the Society.
- (4) The amount to discharge the liability is the sum of—
 - (a) the net liability of the member as at the periodical payment date in sub-rule (3); and
 - (b) interest calculated on the net liability at a rate equivalent to that charged to the member on the advance, computed from that periodical payment date until the discharge date;
 - (c) management fees calculated pro-rata at the monthly rate payable on the periodical payment date in sub-rule (3), for the period from that periodical payment date until the discharge date; and
 - (d) the withdrawal fee referred to in Rule 27(6) and set out in Appendix 2; and
 - (e) if applicable, an amount determined in accordance with sub-rule (5)—less the amount calculated under sub-rule (6).
- (5) Sub-rule (4)(e) applies if the discharge date occurs before the distribution date for that year. If so, an estimate must be made of the distributable amount applicable to the member for that year on the basis of the financial records of the Society as nearly as practicable at the time of discharge, including any unaccounted-for income and expenses likely

to be included in the final accounts. If the amount estimated is a share of an expected deficit, that is the amount for the purpose of sub-rule (4)(e).

- (6) Subject to sub-rule (8), the member's liability on discharge is reduced by an amount equal to the lesser of—

- (a) the member's contribution to the statutory reserve under Rule 23; and
- (b) the amount calculated in accordance with the following formula—

$$A = \frac{SR}{NA} \times NL$$

where—

A is the amount;

SR is the amount of the statutory reserve as at the discharge date;

NA is the value of the total assets of the Society as reported in the latest audited financial statements of the Society;

NL is the member's net liability under sub-rule (4)(a)—

less \$200.

- (7) To give effect to the credit provided for in sub-rule (4)(e), an amount equal to the amount calculated under sub-rule (6) is to be applied from the statutory reserve to credit the member's loan account.
- (8) Sub-rules (6) and (7) do not apply to the extent that their operation would result in the amount in the statutory reserve being less than \$2000.

49. Effect of discharge

When a member has discharged his or her liability in accordance with Rule 48, the member—

- (1) Upon payment of the costs and expenses of the discharge in accordance with Appendix 2 is entitled to the discharge of his or her mortgage;
- (2) Must be taken to have given notice of withdrawal of his or her shares in accordance with Rule 27.

50. *Cancellation of notice of discharge*

- (1) The member may, with the consent of the Board, cancel a notice of intention to discharge the liability on shares previously given to the Society.
- (2) If the full amount required by the Rules to be paid to the Society is not paid by the date nominated by the member as the discharge date, the Board may give notice to the member requiring him or her, within 14 days, to reinstate the account by paying all dues then in arrears.

51. *Insurance of mortgaged property*

- (1) The member must insure all dwelling-houses and improvements erected on land mortgaged to the Society—
 - (a) for such amount; and
 - (b) against such risks; and
 - (c) on such terms and conditions—as the Board from time to time determines.
- (2) If the Society pays any premium for insurance of the mortgaged property on behalf of the member, the member must reimburse the Society within 14 days from the date of demand for reimbursement, and the amount is subject to the rights of recovery provided for in the mortgage deed.
- (3) If the member fails to make payment in accordance with sub-rule (2), the Board may require a member to pay to the Society at each periodical payment date a sum sufficient in the Board's opinion to cover all premiums payable under this Rule.
- (4) Despite sub-rules (1) to (3), a member may insure with a company of his or her choice, provided that the policy includes reference to the Society as mortgagee, the particulars of the mortgaged property, the name of the Society's lender as equitable mortgagee and renews on a specific renewal date acceptable to the Society and provided further that such insurance company has entered into a concessions agreement in a form acceptable to the Society and authorised by the Trade Practices Commission.

52. *Power to sell mortgaged property*

A member may not sell any property mortgaged to the Society unless—

- (a) the mortgage is discharged in accordance with these Rules prior to or at the time the sale is completed; or
- (b) the Board otherwise consents.

53. Power to release part of security

The Board may if it thinks fit release a part of the property mortgaged if it is satisfied that the remainder of the property represents sufficient security and obtains a valuation, in accordance with Rule 44 as at the date on which partial release of the security is proposed to take place, which confirms that the loan to valuation ratio, based on the member's net liability at the date the partial release is proposed to take place, does not exceed the loan to valuation ratio approved at the time the original total advance to the member was approved and if the Board obtains the consent of the lender, mortgage insurer and any relevant Government Department or Departments.

54. Annual General Meetings

Subject to the Act, the annual general meeting of the Society is to be held at the time and place determined by the Board.

55. Special general meeting

- (1) A special general meeting may be held—
 - (a) whenever the Board so determines; or
 - (b) if 20 members or one-half the total number of members entitled to vote (whichever is fewer) requisition the Board in writing to convene a special general meeting.
 - (2) A requisition for a special general meeting must—
 - (a) state the objects of the meeting; and
 - (b) be signed by the members requesting the meeting; and
 - (c) be lodged at the registered office of the Society.
 - (3) A requisition may consist of several documents of the like effect each signed by one or more of the members requesting the meeting.
 - (4) On receiving a requisition under this Rule the Board must cause a special general meeting to be held within 21 days after receipt of the requisition.
 - (5) If the Board does not cause a special general meeting to be held in accordance with sub-rule (4), the members who
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requisitioned the meeting may cause the meeting to be held within 3 months of the date the requisition was lodged at the registered office of the Society.

- (6) The Board must provide the members who requisitioned the meeting with a list of all the names and addresses of the Society members as at the date the requisition was lodged at the registered office of the Society.
- (7) A special general meeting convened by members under sub-rule (5) must be convened as nearly as possible in the manner by which the Board would convene a special general meeting. All reasonable expenses incurred in convening such a meeting must be refunded by the Society to the members who incurred those costs.

56. *Notice of general meetings*

- (1) Notice in writing of a general meeting must—
 - (a) be given to all members not less than 14 days before the date of the meeting; and
 - (b) specify the place, date and time of the meeting; and
 - (c) if special business is to be transacted, set out generally the nature of the special business; and
 - (d) if a special resolution is to be proposed, set out the terms of the special resolution.
- (2) Not-receipt of the notice by a person entitled to receive the notice does not invalidate the proceedings of a general meeting.
- (3) If, at least 3 business days before a notice convening the general meeting is issued by the Board, a member informs the Board of the member's intention to move a motion at that meeting, the Board must ensure that notice of the member's intention is included in the notice of meeting.

57. *Ordinary business of annual general meeting*

The ordinary business of the annual general meeting is—

- (a) to confirm the minutes of the previous annual general meeting and of any general meetings held since that meeting; and
- (b) to receive from the Board, auditor and officers of the Society reports on the transactions of the Society during the preceding financial year, including reports on the audited financial statements of the Society; and

- (c) to elect and determine the remuneration of directors; and
- (d) to appoint and determine the remuneration of the auditor; and
- (e) to determine the remuneration of officers other than directors.

58. Special business

- (1) All business at a general meeting, other than ordinary business, is special business.
- (2) The annual general meeting may transact special business if notice of any special business is given in accordance with Rule 56.

59. Quorum

- (1) Subject to this rule, any 5 members present in person at a meeting constitute a quorum.
- (2) If within half an hour after the time appointed for the meeting a quorum is not present, the meeting—
 - (a) if convened upon the requisition of members, is abandoned; and
 - (b) in any other case is to be adjourned at the discretion of the person presiding—
 - (i) for half an hour at the same place and the members then present constitute a quorum; or
 - (ii) to the same day and time in the following week at the same place (unless another place is specified by the person presiding at the time of the adjournment or by written notice to members).
- (3) If at an adjourned meeting, under sub-rule (2)(b)(ii), a quorum is not present within half an hour after the time appointed for the meeting, the members then present constitute a quorum

60. No business without quorum

No item of business may be transacted at a general meeting unless a quorum of persons entitled to vote is present.

61. *Presiding at general meetings*

- (1) Subject to this Rule, the Chairperson of the Board presides at every general meeting of the Society.
- (2) If the Chairperson of the Board is unable or unwilling to preside or is not present within 15 minutes after the time appointed for the meeting, the members present must select one of their number to preside.

62. *Restrictions on business transacted*

- (1) The person presiding may, with the consent of a majority of members present at the meeting, adjourn the meeting from time to time and from place to place.
- (2) The person presiding must, if directed by a majority of members present at the meeting, adjourn the meeting to a date and time agreed.
- (3) No business may be transacted at an adjourned meeting other than business unfinished at the meeting which was adjourned.

63. *Standing orders*

The following orders must be observed at meetings of the Society—

- (1) The mover of a motion must not speak for more than 10 minutes, subsequent speakers are allowed 5 minutes and the mover of the motion 5 minutes to reply, but the meeting may by simple majority extend in a particular instance the time so permitted.
- (2) If an amendment is proposed upon an original motion, no second amendment may be taken into consideration until the first amendment is disposed of.
- (3) If an amendment is carried, it displaces the original motion and becomes itself the motion to which any further amendment may be moved.
- (4) If an amendment is not carried, then a further amendment may be moved to the original motion, but only one amendment may be submitted to the meeting for discussion at any one time.
- (5) The mover of every original motion, but not of an amendment, has the right to reply, following which the question must be put from the chair, but no other member may speak more than once on the same question, unless

permission is given to explain, or the attention of the person presiding is called to a point of order.

- (6) Motions and amendments must be submitted in writing when requested by the person presiding.
- (7) Any discussions may be closed by a motion "that the question be now put" being seconded and carried and any such motion must be put to the meeting without debate.

64. Voting

- (1) Every member who is present in person at a meeting is entitled to one vote irrespective of the number of shares held by that member.
- (2) In the case of joint holders of a share, the member whose name appears first in the register for that share may vote unless the other joint holders otherwise direct.
- (3) Subject to sub-rule (4) on any vote, a declaration of the result by the person presiding is proof of that resolution, and any such declaration by the person presiding must be minuted.
- (4) If a poll is demanded by not less than 5 members present, it must be conducted in the manner specified by the person presiding and the result of the poll is the resolution of the meeting on that question.
- (5) In the case of an equality of votes, whether on a show of hands or on a poll, the person presiding at the meeting is entitled to a second or casting vote.
- (6) A poll demanded for the election of a person presiding or on a question of adjournment must be taken immediately, but any other poll may be conducted at any time before the close of the meeting.

65. Special resolution

A special resolution must be passed by not less than three quarters of those members entitled to vote who are present in person at the general meeting of which notice specifying the intention to propose the resolution has been given in accordance with these Rules.

66. Board of directors

- (1) Subject to section 48(7) of the Act, the number of directors of the Board is the number specified in Appendix 1.
 - (2) A director must be a member of the Society.
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- (3) A director may not assume office before the age of 18 years.
 - (4) The first directors must be elected at the meeting for the formation of the Society.

67. Retirement of directors

- (1) At the first annual general meeting not less than half of the directors must retire and at the next annual general meeting the remaining directors must retire and this pattern of rotation is to continue in ensuing years.
- (2) A retiring director retains office until the close of the meeting at which his or her successor is elected.
- (3) The directors to retire in any one year are, subject to the provisions as to the filling of casual vacancies, those who have been longest in office since their last election and if there are 2 or more directors who became directors on the same day, those who retire must be determined by lot unless they otherwise agree amongst themselves.
- (4) A retiring director is eligible for re-election.

68. Election of directors

- (1) The Society must notify all members of the number of directors retiring at the annual general meeting in writing at least 6 weeks before the annual general meeting and advise the members of their eligibility to nominate as a director of the Society, the duties and responsibilities of a Society director, the anticipated remuneration and the nomination and election procedures.
- (2) Not less than 6 weeks before the annual general meeting a notice must be displayed at the registered office of the Society inviting nominations of candidates for election as directors.
- (3) A nomination must be signed by 2 or more members and must be accompanied by a notice in writing signed by the candidate agreeing to his or her nomination.
- (4) The nomination and notice referred to in sub-rule (3) must be lodged at the registered office of the Society at least 21 days before the annual general meeting.
- (5) Details of each person who has submitted a nomination to become a director of the Society must be sent out to members with the notice of the annual general meeting.

- (6) Details provided to the members must include the candidate's—
- (a) name; and
 - (b) occupation; and
 - (c) age; and
 - (d) length of any previous service as a director of the Society or any other co-operative housing society; and
 - (e) professional qualifications (if any); and
 - (f) relevant experience (if any).

69. *Manner of election*

- (1) The ballot for the election of directors must be conducted at the annual general meeting in the manner the Board directs.
- (2) If, at the annual general meeting at which an election of directors ought to take place, the place of any retiring director is not filled, the meeting stands adjourned.
- (3) At the resumption of the adjourned meeting nominations for any unfilled positions of director may be received and an election may be held.

70. *Casual vacancy*

Any vacancy in the office of director which occurs other than by rotation of retirement may be filled by resolution of the Board but the person appointed must retire at the next annual general meeting.

71. *Removal of director*

The Society may by resolution remove any director before the expiration of his or her period of office, and may by resolution at the same or any other meeting appoint another person in his or her stead. The person so appointed is subject to retirement at the same time as if he or she had become a director on the day on which the director in whose place he or she is appointed was last elected a director.

72. *Proceedings of the Board*

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- (1) Subject to this Rule, the Board may meet and regulate its proceedings in the manner which it determines.
 - (2) The Board must meet at least once every 3 months.
Meetings may be conducted using any form of electronic communication and decisions made at such meetings have the same validity as meetings which directors attended in person.
 - (3) Any question at a meeting must be decided by a majority of votes and the Chairperson of the Board has a second or casting vote in the event of equality of votes.
 - (4) A meeting may be requisitioned by the Chairperson of the Board or by any 2 directors, and the secretary on receiving such a requisition must convene a meeting of the Board.
 - (5) The quorum of any meeting of the Board is constituted by half (or where that number is not a whole number the next highest whole number) the number of directors in office.
 - (6) If there is a vacancy in the number of directors the Board may continue to act but if the number of directors falls below 3 the Board may only act for the purpose—
 - (a) of increasing the number of directors; or
 - (b) of convening a general meeting of the Society.

73. Functions of the Board

- (1) The business and operations of the Society are to be managed and controlled by the Board, and for that purpose the Board, except as provided in the Act, has and may exercise the powers of the Society as if they had been expressly conferred on the Board by a general meeting of the Society.
 - (2) The Board must pay due regard to guidelines concerning the duties and conduct of directors issued by the Commission from time to time.
 - (3) The Board must ensure that minutes of the proceedings of all general, Board and committee meetings are properly kept and adopted, in accordance with the Regulations under the Act.
 - (4) Subject to the Act, a director is entitled to receive such fees for his or her services as are determined by the Society in general meeting in accordance with the Regulations and is entitled to reimbursement of all reasonable expenses incurred in his or her capacity as a director of the Society,
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subject to the approval of the Chairperson of the Board and verification by the Chairperson of the Board that the amounts have been incurred for purposes approved by the Board.

- (5) At the end of each financial year the Board must ensure that financial statements of the Society are prepared for that year and must submit them with the auditor's report to the annual general meeting of the Society.
- (6) The Board must ensure that—
 - (a) a copy of the financial statements and auditor's report is sent to each member with the notice of annual general meeting; and
 - (b) a copy of the financial statements and auditor's report is displayed at the registered office of the Society for at least 14 days before the date of the annual general meeting.

74. Chairperson

- (1) The members of the Board must at the first meeting of the Board and subsequently whenever there is a vacancy in the office of Chairperson of the Board, elect one of their number to be Chairperson.
- (2) The Chairperson so elected holds office until he or she ceases to be a director or until the next general meeting, whichever occurs first.
- (3) If no Chairperson has been elected or, if at any meeting of the Board, the Chairperson is not present within 15 minutes after the time appointed for the meeting, the directors present may choose a temporary Chairperson for that meeting.

75. Committees

- (1) The Board may establish committees comprising members of the Board for any purpose and may delegate such functions to each committee as it determines except that the committees may not be given the power to act as if the committee constituted the Board. All decisions on recommendations of a committee must be made by a duly constituted meeting of the Board.
- (2) Any committee so formed must in the performance of its functions comply with any conditions or stipulations that may be imposed on it by the Board.

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- (3) All committee meetings must be held in the same manner as meetings of the Board, and minutes of all proceedings must be kept in the same manner as the Board minutes.

76. *Secretary and management organisation*

- (1) The Board must appoint a Secretary of the Society and specify his or her powers and duties.
- (2) The Board may appoint an appropriate management organisation for the management of the day to day affairs of the Society subject to the direction of the Board.
- (3) If the Board appoints a management organisation—
- (a) the Board must fix the powers and duties of the management organisation; and
 - (b) the management organisation must nominate a suitably qualified individual to fill the position of Secretary; and
 - (c) the contract with the management organisation must be on a commercial basis and at arm's length; and
 - (d) the management organisation must agree to be bound by these Rules.
- (4) Subject to the Regulations, the Secretary or the management organisation (if any) is entitled to receive the remuneration determined by a general meeting of the Society.

77. *Insurance*

- (1) The Board must ensure that section 53(3) of the Act is complied with and that the secretary or management organisation maintains the appropriate levels of insurance in respect of their liability to the Society in respect of all possible losses the Society may incur through the actions of the secretary or management organisation, and their staff and officers.
- (2) The Board shall ensure that each director has directors' liability insurance to such an extent and in such a manner as the Board so determines.

78. *Vacation of office of director*

The office of a director is vacated in the circumstances set out in the Act and these Rules or otherwise by operation of any law which prohibits a person becoming or remaining a

director or taking part in the management of a body corporate and, if the Guardianship and Administration Board makes a guardianship or administration order in respect of a director, that director immediately ceases to be a director.

79. *Borrowing by directors or officers*

- (1) A director or officer of the Society must not borrow from the Society and the Society must not make an advance to a director or officer, unless the members of the Society authorise the advance by special resolution prior to the making of the advance.
- (2) If an advance is made in contravention of sub-rule (1) the members of the Board who authorised the advance are jointly and severally liable for any loss which the Society suffers as a result of having made the advance.
- (3) For the purposes of this Rule, employees of the management organisation other than the secretary are not considered officers of the Society provided that any advance made to such employee is made on the normal terms and conditions which apply to advances made by the Society and are made in accordance with the requirements of these Rules, the Regulations and the Act.

80. *Financial year*

The financial year of the Society ends on the date specified in Appendix 1 to these Rules.

81. *Banking*

- (1) The Board must ensure that an account in the name of the Society is opened with a bank selected by the Board and that all money received by the Society is paid into that account as soon as possible after the money is received.
- (2) The Board may open such other accounts with such banks as it deems suitable and as are required for the conduct of the affairs of the Society.
- (3) The Board may obtain from a bank at which it has an account cheques drawn by the Society and may release the bank and indemnify it from and against all claims actions or demands which may be brought against the bank directly or indirectly on the cheques or as a result of their surrender to the Society.

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- (4) All cheques drawn on such accounts and all drafts, bills of exchange, promissory notes and other negotiable instruments for and on behalf of the Society must be signed by one director or such other person as the Board authorises from time to time provided that all payments to the management organisation or secretary (by whatever means made), must be individually authorised by a director and, if paid by cheque, the cheque must be signed by a director.

82. *Custody of books, securities etc.*

The Board must ensure that all books of account, securities, documents and papers of the Society are maintained by secretary or the management organisation at the registered office of the Society or (in the case of any particular book, security, document or paper) at another place that the Board approves and must be kept in such manner and with such provision for their safety as the Board agrees with the secretary or management organisation.

83. *Members' accounts*

- (1) The Board must ensure that each member is provided free of charge with a periodic record of his or her loan account not less than once every 6 months (or such longer period not exceeding 12 months approved at a general meeting). The Board must ensure that any member may inspect for such fee as is set out in Appendix 2 his or her own account in the books of the Society at any reasonable time.
- (2) The Board must ensure that written notification is sent to each affected member of variations in interest rates and other charges within a reasonable time prior to the effective date of each variation, provided that where the interest rate or charges are varied below the current rate, no prior notice is necessary.
- (3) Following distribution to each member of his or her share of the surplus or deficit of the Society under Rule 22, the Board must ensure that the next statement of loan account issued in accordance with sub-rule (1) of this Rule clearly explains to each member the basis of the distribution.

84. *Management of society funds*

- (1) All money received by the Society must be directed towards the payment of its debts obligations and expenses incurred in carrying out its objects.

- (2) No management contract entered into by the Society may contain a clause which would have the effect of releasing the management organisation or the secretary from any liability to the Society incurred as a result of any deficiency in the management of the Society's affairs, and any such clause has no effect.

85. Auditor

- (1) An auditor of the Society who is a registered company auditor and approved by the Commission, must be appointed at each annual general meeting to hold office until the next annual general meeting.
- (2) The first auditor may be appointed by the Board before the first annual general meeting and if so appointed holds office until the first annual general meeting unless the members otherwise resolve.
- (3) If the Society fails to appoint an auditor at an annual general meeting, the Board must appoint an auditor for the current financial year.
- (4) The auditor appointed by the Society or the Board must not otherwise be an officer of the Society.
- (5) If a member wishes to nominate a person other than a retiring auditor to be auditor, the member must give notice of intention to nominate that person to the Board at least 14 days before the annual general meeting.
- (6) The Board must give the retiring auditor a copy of any notice received under sub-rule (5).
- (7) The Board may fill any casual vacancy in the office of auditor.
- (8) The remuneration of the auditor is to be fixed by the Society in general meeting except that if the Board appoints an auditor pursuant to sub-rules (2), (3) or (7), the Board may fix the auditor's remuneration.
- (9) The auditor has a right of access to all of the books, accounts, vouchers, securities and documents of the Society and the directors and other officers must provide to the auditor any information which the auditor considers necessary for the performance of his or her duties as auditor. The Board must ensure that any contract with the

management organisation provides for such access to be given by the management organisation.

- (10) The Board must ensure that all books, accounts, vouchers, securities and documents are made available to the auditor.
- (11) The Board must ensure that the accounts of the Society are audited forthwith after the close of each financial year.

86. *Settlement of disputes*

- (1) The Board must ensure that the secretary or the management organisation has an internal process for resolving disputes between members and the Society without charge to the member.
- (2) If a dispute between a member, in his or her capacity as a member, and the Society cannot be resolved, the dispute must be referred to an external and impartial party for determination free of cost to the member.
- (3) This Rule does not apply to a dispute relating to the construction or effect of a term of a mortgage or of any contract contained in a document other than these Rules.
- (4) For the purpose of this Rule, a dispute relating wholly to the construction or effect of any of these Rules is not to be taken to be a dispute as to the construction or effect of a mortgage by reason only that the mortgagor has covenanted under the mortgage to observe these Rules or that in a mortgage the rights and obligations of the parties are expressed by reference to these Rules.

87. *Notices*

- (1) Except as otherwise provided in these Rules, a notice may be given by the Society to any member by delivering it to the member personally or by sending it by pre-paid post addressed to the member—
 - (a) if the member has given the Society an address for the giving of notice, at that address; or
 - (b) in any other case, at the member's last registered address.
- (2) Any notice sent by pre-paid post is deemed to have been given 2 business days after the letter containing the notice has been posted in the absence of evidence to the contrary.

- (3) A notice to joint holders of shares may be given by giving the notice to the joint holder named first in the register in respect of the shares.
- (4) A notice may be given to any person entitled to shares in consequence of the death, bankruptcy or insolvency of a member or in consequence of a member having made an arrangement or composition with the member's creditors by sending it by pre-paid post to such a person or, if the address of that person is not able to be ascertained, by sending the notice addressed to such person at the last registered address of the member.

88. *Shares not to be listed*

The shares of the Society must not be quoted for sale or purchase at any stock exchange or in any other public manner whatever.

89. *Winding up voluntarily*

- (1) The Society must commence winding up procedures when all the liabilities of the Society to persons other than its members are discharged.
- (2) Winding up procedures must be commenced within 3 months of the Society discharging such liability, or such later date as is approved by the Commission.
- (3) The winding up of the Society must be in accordance with Division 4 of Part III of the Act.

90. *Winding-up—Termination*

The Society is to terminate when it has been wound up.

91. *Distribution on winding up*

- (1) If, at the completion of the winding up of the Society, surplus funds remain (accumulated surplus, statutory reserve and other profit or surplus of the Society), these funds must be distributed equally amongst those former borrowing members of the Society who discharged their liability to the Society within a period of 3 years prior to the commencement of the winding up of the Society, or within such other period as is approved by the Commission.
- (2) If an eligible former member cannot be found, his or her share is to be treated in accordance with the legislation relating to unclaimed monies.

92. *Charges payable by a member*

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- (1) In addition to principal payments and interest, rates and taxes, and any necessary contributions to a deficit of the Society as provided for in these Rules, a member is liable to pay only those fees, charges and other costs as prescribed in Appendix 2 or a subsequent registered alteration of Appendix 2.
 - (2) The initial amount of the fees and charges set out in Appendix 2 and any changes to those fees must be approved by the Commission.
 - (3) A list of the fees, charges and other costs payable by a member must be furnished in the form of Appendix 2 to any person intending to become a member and to all members after any changes to that Appendix.
 - (4) In any financial year in which the Society has paid or is liable to pay a supervision levy to the Commission, (or its successors or assigns), the Board may, in that same financial year or the next succeeding financial year, charge the account of a member who has an advance from the Society an amount not greater than the total levy divided by the number of current borrowing members of the Society at the time the Board authorised payment of the charge. The amount of such charge to a member's account must be notified in writing to that member.
 - (5) In any period in which the Society has paid, or is liable to pay, financial institutions duty, bank accounts debit tax or any similar fee which may be imposed by Government from time to time, the account of the member may be charged with an amount equivalent to such fee or such lesser amount, as may be determined from time to time by the Board.

93. *Fines and penalties*

- (1) Subject to sub-rule (2), no member is liable to any fine or penalty imposed by the Society other than as set out in that member's mortgage document or as may be imposed by law.
- (2) If no such penalty is set out in the member's mortgage document, if a periodical payment is not paid when due, the Board may impose a fine of an amount determined by the Board and approved by the Commission.

94. *Expulsion*

No member may be expelled from the Society, but a member may cease to be a member in accordance with the Rules.

95. Goodwill

- (1) An outgoing management organisation which has no officer or employee who holds a position as director of the Society, or an outgoing secretary, may accept a commission, fee or reward, (whether pecuniary or otherwise), from the new management organisation or secretary, if—
 - (a) the total value of the commission, fee or reward has been disclosed to and approved by the Board; and
 - (b) there is no direct or related cost to the Society or its members.
- (2) The existence of any commission, fee or reward must be disclosed in the first annual financial statements of the Society prepared after the appointment of the new management organisation or secretary.

96. Rates and taxes

- (1) The Board may, at any time after a member has received an advance upon his or her shares or any of them, require him or her to pay, in addition to any other sum which under the Rules he or she is required to pay, such an amount at each periodical payment date as will, in the estimation of the Board, aggregate in each calendar year to the amount necessary to discharge all rates and taxes which, in that year, will be payable in respect of the property the security for the advance, to any municipality or to any land tax, water supply or sewerage or drainage authority. All such money so collected by the Society must be applied by it in discharging those rates and taxes; and if in any year the money is insufficient for that purpose, the Board may make up the deficiency out of the funds of the Society and thereupon the Society has the right to recover the amount as money paid for and on account of the member concerned.
- (2) If the contributions paid in any year by a member under this Rule exceed the amount of the rates and taxes for that year, the Society must, after payment of those rates and taxes, hold the balance to the credit of the member and may, as the Board decides, refund the balance to the member or hold it to be applied toward payment of the rates and taxes in the next year.

97. *Distribution on assignment of mortgages*

- (1) If the Society proposes to transfer or assign its mortgages under section 33(1A), it must—
 - (a) prepare an estimate of the distributable amount for each borrowing member as at the date of the proposed transfer or assignment on the basis of the latest financial statements and shareholdings; and
 - (b) seek the approval of its members to the transaction according to procedures determined by the Commission.
- (2) If the Society assigns its mortgages under section 33(1A) of the Act, the Society must make a distribution as at the date of the assignment to its borrowing members following the assignment, on the same basis, as nearly as practicable to the annual distribution under Rule 22 or on such other basis as is approved by the Commission.
- (3) The amount of the statutory reserve of the Society, less an amount approved by the Commission that is required to meet the reasonable costs of winding up the Society is to be added to the distributable amount calculated in accordance with sub-rule (2) and is to be distributed to borrowing members accordingly.
- (4) The Society must prepare, and have audited, financial statements as at the date of the assignment and must make the distribution on the basis of those financial statements.
- (5) Sub-rule (1) does not apply if the Commission makes a contrary determination.

98. *Preparation of accounts on transfer or merger*

- (1) If the Society proposes to transfer its engagements to, or merge with, another society, the Society, in accordance with section 11 of the Act, must prepare an estimate of the distributable amount for each member from the latest financial records and shareholdings of the Society and submit the estimate to each member.
- (2) The Society must make all its financial statements and records available to the society to which its engagements are to be transferred or to the merged society (as the case may be).

- (3) Sub-rule (1) does not apply if the Commission makes a contrary determination under any of its powers under section 11 of the Act.

99. Distribution on transfer

- (1) This rule applies if the Society accepts a voluntary transfer of the engagements of another society.
- (2) The Society must—
- (a) make a distribution to the borrowing members who came from the transferor society from the funds received from the transferor society; and
 - (b) make a distribution to its other borrowing members from its other funds—

on the same basis, as nearly as practicable, to the annual distribution under Rules 22 and 23.

- (3) The Society must prepare, and have audited, financial statements in relation to the Society and the transferor society as at the date of the transfer and must make the distributions on the basis of those audited financial statements.
- (4) The amount of the statutory reserve of the transferor society as at the date of transfer less the amount (if any) paid out to the members under sub rule (2)(a) is to be added to the statutory reserve of the Society.

100. Distribution by merged society

- (1) If the Society is a society formed by the merger of 2 or more societies, the Society must make a distribution to the borrowing members of those societies, as at the date of the merger, on the same basis, as nearly as practicable, to the annual distribution under Rules 22 and 23.
- (2) The Society must prepare, and have audited, financial statements of each of the societies as at the date of the merger and must make the distribution on the basis of those audited financial statements.

APPENDIX 1

PARTICULARS OF SOCIETY

<i>Item</i>	<i>Rule</i>	<i>Matter</i>
1.	(Rule No.)	Name of Society:
2.	(Rule No.)	Registered Office of Society:

Co-operative Housing Societies Regulations 1995

S.R. No. 8/1995

3.	(Rule No.)	Number of Directors of Board of Society:
4.	(Rule No.)	Financial Year of Society, year ending:
5.	(Rule No.)	Term of Advance:

APPENDIX 2

FEES AND CHARGES

<i>Item</i>	<i>Matter</i>	<i>Amount</i> \$
FIXED FEES, COSTS AND CHARGES WHICH ARE TO FORM PART OF THE SOCIETY'S MANAGEMENT INCOME		
1.	Entrance Fee	To be approved by Commission
2.	Consent to second mortgage	"
3.	Consent to each subsequent mortgage	"
4.	Production of Certificate of Title for registration or discharge of second or subsequent mortgage or at member's request	"
5.	Supplying to a solicitor, bank or other authorised institution or person (not being the member) particulars of title of a security or information concerning a member's account (except in connection with discharge of the member's liability to the Society, when the fee shall be nil)	"
6.	Granting consent to a proposed sale of land being part of the security	"
7.	Granting consent to a proposed purchase of land to be added to the security	"
8.	Photocopy of documents—per sheet— together with fee for service of—	"
	(a) where the document is held by the society	"
	(b) where the document is held elsewhere except when the documents are to be provided to a member and the Rules provide that such documents are to be provided to the members free of charge or the rules and other Appendix 2 entries prescribe that other fees apply	"
9.	Consent to lease of security premises	"
10.	Member statement of account (in addition to periodical statement provided for in Rules)	"

Co-operative Housing Societies Regulations 1995

S.R. No. 8/1995

Sch. 2

<i>Item</i>	<i>Matter</i>	<i>Amount</i> \$
11.	Change of particulars of proprietor(s) on security documents resulting from change of name by: Deed Poll, Marriage, Divorce, Property settlement or for other legal reasons	To be approved by Commission
12.	Supplying a credit reference (on the written approval of the member)	"
13.	Production of Certificate of Title to the Registrar-General or the Registrar of Titles, (where this is done by the Society and not by the Society's solicitor) except when in connection with a discharge of the member's liability to the Society when the fee shall be nil	"
14.	Substitution of security (only when not in connection with the approval of a new advance to a member)	"
15.	Action on Dishonour of member's cheque	"
16.	Interest certificate	"
17.	Application fee } Establishment fee } Refer to Entrance Fee Membership fee }	"
18.	Copy of Rules (Section 46(2)) except when the Rules provide that a copy of the Rules are to be provided to the member free of charge	0.25c
19.	Inspection of Account (Section 56(6))	0.20c
20.	Early repayment fee—Refer withdrawal fee	To be approved by Commission
FORMULA BASED FEES, COSTS AND CHARGES WHICH ARE TO FORM PART OF THE MANAGEMENT INCOME OF THE SOCIETY		
21.	Management fees—	Approved by Commission
22.	Withdrawal Fee and Transfer Fee:	Approved by Commission

Co-operative Housing Societies Regulations 1995

S.R. No. 8/1995

<i>Item</i>	<i>Matter</i>	<i>Amount</i> \$
	CHARGES (NOT PART OF THE MANAGEMENT INCOME OF THE SOCIETY)	
23.	Fines	Approved by Commission
	FEES, COSTS AND CHARGES ON A REIMBURSEMENT BASIS (NOT PART OF THE MANAGEMENT INCOME OF THE SOCIETY)	
24.	Valuation Fee for a second or subsequent valuation	
25.	Inspection of property fee—Refer Subsequent Valuation Fee when inspection performed by a valuator, otherwise nil	
26.	FID, BAD Tax in accordance with the Rules	Set by State/ Commonwealth Governments
27.	Insurance premiums where payable to society in accordance with the Rules	
28.	Survey fees	
29.	Titles Office registration fees for creation, variation and discharge of mortgage	
30.	Stamp Duties on creation, variation of mortgage	
31.	Legal costs of borrower <u>and</u> society relating to creation, variation or discharge of mortgage, or default thereunder	
32.	Member's reimbursement of VicFIC Levy in accordance with the Rules	
33.	Rates and taxes on the security property pursuant to Rule 96	

SCHEDULE 3

1. *Register of Directors*

For each director—

- (a) full name;
- (b) address;
- (c) occupation;
- (d) date of appointment;
- (e) date first appointed to the Board;
- (f) date of Birth;
- (g) qualifications;
- (h) relevant Experience;
- (i) number of Shares held;
- (j) particulars of contracts between the society and the director, or a company, society or other entity of which the director is a director or a member, or in which the director has a financial interest (include contracting parties, term, nature of the contract, fees involved);
- (k) date of resignation.

2. *Register of members and shares*

For each member—

- (a) member number;
- (b) full name;
- (c) address;
- (d) date first shares issued and date of Board approval;
- (e) number and nominal value of shares held.

3. *Register of secretaries*

For each secretary—

- (a) full name;
- (b) address;
- (c) occupation;

- (d) date of appointment;
- (e) particulars of contracts between the society and the secretary, or a company, society or other entity of which the secretary is a director or a member, or in which the secretary has a financial interest (include contracting parties, term, nature of the contract, fees involved);
- (f) date of Board approval to appointment;
- (g) date ceased to be a secretary.

4. *Register of loans raised and securities given*

For each loan—

- (a) full name of lender;
- (b) date loan offer made and date of Board approval;
- (c) amount of loan, term and interest rate applicable;
- (f) nature and description of security;
- (g) date security was given;
- (h) particulars of any agreement concerning security given.

5. *Register of advances made and securities given*

For each advance—

- (a) date advance or partial advance was made and date of Board approval;
- (b) amount of advance;
- (c) nature and description of security;
- (d) date advance transferred from/to another member and whether member transferor or transferee;
- (e) date advance repaid.

6. *Register of withdrawals and forfeitures*

For each withdrawal (forfeiture)—

- (a) full name of member;
- (b) date of forfeiture or withdrawal and date of Board approval;
- (c) number and nominal amount of shares withdrawn or forfeited;

Co-operative Housing Societies Regulations 1995
S.R. No. 8/1995

- (d) reason for withdrawal/forfeiture;
- (e) number of remaining shares (if any).

7. Register of share transfers

For each transfer—

- (a) full name and address of transferor;
- (b) full name and address of transferee;
- (c) date of transfer and date of Board approval to transfer;
- (d) number and nominal amount of shares transferred;
- (e) reason for transfer.

Note:

1. The above registers may be combined if considered appropriate (eg. register of directors with register of members and shares).
2. Existing accounting records/documents may contain the required details, in which case a separate register would not appear necessary (eg. a society's loan ledger could serve as the register of advances if it contained all the relevant records).
3. Manuals maintained manually or electronically are acceptable provided that electronic registers are available for access by creditors, the Commission and external auditors and any other authorised person.

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NOTES

1. General Information

The Co-operative Housing Societies Regulations 1995, S.R. No. 8/1995 were made on 7 February 1995 by the Governor in Council under sections 8(6), 8(8), 9(4), 9(5), 9(6), 36(4), 39(1), 39(3), 41(3), 45(1), 47(2), 47(3), 49(6), 52, 53(2), 53(3), 58(3), 59(6), 77(1) and 98 of the **Co-operative Housing Societies Act 1958**, No. 6226/1958 and came into operation on 7 February 1995.

The Co-operative Housing Societies Regulations 1995 will sunset 10 years after the day of making on 7 February 2005 (see section 5 of the **Subordinate Legislation Act 1994**).

Co-operative Housing Societies Regulations 1995
S.R. No. 8/1995

Notes

2. Table of Amendments

This Version incorporates amendments made to the Co-operative Housing Societies Regulations 1995 by statutory rules, subordinate instruments and Acts.

Co-operative Housing Societies (GST) Regulations 2000, S.R. No. 49/2000

Date of Making: 22.6.00

Date of Commencement: 1.7.00: reg. 3

3. Explanatory Details

¹ Reg. 3: S.R. No. 76/1994.