

EXPLANATORY STATEMENT

AUSTRALIAN CAPITAL TERRITORY
TRUSTEE (AMENDMENT) ORDINANCE 1982

No.27 of 1982

The purpose of this proposed Ordinance is to amend the Trustee Ordinance 1957 to provide that trustees may, unless the trust instrument expressly forbids it, invest trust funds in their hands on deposit with a building society approved by the Attorney-General. The proposed Ordinance contains conditions which must be met by a building society before it may be approved and provisions enabling the Attorney-General to obtain reports from the Registrar of Co-operative Societies on the operations of approved building societies. Legislation along similar lines has been made in New South Wales, Victoria, Tasmania, South Australia and Western Australia.

The proposed Ordinance amends the Second Schedule to the Trustee Ordinance 1957. The Second Schedule to the Ordinance modifies certain provisions of the Trustee Act 1925 of New South Wales in its application to the Australian Capital Territory.

Clause 1 is the short title.

Clause 2 amends the Second Schedule to the Ordinance -

- (a) by inserting in sub-section (1) of paragraph (a)
of item 11 of the Schedule (which specifies the

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investments in which a trustee may invest trust funds in his hands) a new paragraph (fa) which permits a trustee to also invest such funds on deposit with an approved building society;

- (b) by inserting in paragraph (.) of item 11 of the Schedule new sub-sections (.), (2A) and (2B), the effect of which is as follows:

- (i) sub-section (2) enables the Attorney-General, by notice published in the Gazette, to approve a building society for the purposes of investment by a trustee of trust funds;
- (ii) sub-section (2A) sets out the conditions which must be satisfied before a building society may be approved under sub-section (2); the conditions are that the building society has carried on business in the Territory for a period of not less than 10 years, that it has withdrawable funds of not less than \$50,000,000 and that the Attorney-General is satisfied that it has complied substantially with the Co-operative Societies Ordinance 1939 during the immediately preceding period of 5 years;

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(iii) sub-section (2B) provides that the Registrar of Co-operative Societies shall, at the request of the Attorney-General, furnish the Attorney-General with a report in writing concerning such matters in relation to an approved building society as are specified by the Attorney-General in the request;

(c) by inserting a new paragraph (f) in item 11 which contains definitions of terms used in the proposed Ordinance.



Authorised by the
Attorney-General