

Queensland



Friendly Societies Act 1991

FRIENDLY SOCIETIES REGULATION 1991

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(includes amendments up to SL No. 123 of 1995)**

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Information about this reprint

This regulation is reprinted as at 9 October 1996. The reprint shows the law as amended by all amendments that commenced on or before that day (Reprints Act 1992 s 5(c)).

The reprint includes a reference to the law by which each amendment was made—see list of legislation and list of annotations in endnotes.

This page is specific to this reprint. See previous reprint for information about earlier changes made under the Reprints Act 1992. A table of earlier reprints is included in the endnotes.

Also see endnotes for information about—

- **when provisions commenced**
- **editorial changes made in earlier reprint.**

Queensland



**FRIENDLY SOCIETIES REGULATION
1991**

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FRIENDLY SOCIETIES REGULATION 1991

[as amended by all amendments that commenced on or before 9 October 1996]

PART 1—PRELIMINARY

Short title

1. This regulation may be cited as the *Friendly Societies Regulation 1991*.

Commencement

2. This regulation commences on 1 August 1991.

Registrar may approve forms

3.(1) In this regulation—

“**approved form**” for a purpose means the form approved by the Registrar for the purpose.

(2) For the purposes of the Act, the prescribed forms are the approved forms.

(3) A person may ask the Registrar for a copy of a document setting out the approved form for a purpose.

(4) The Registrar must comply promptly with the request.

Fees

4. The fees to be paid for the purposes of the Act are the fees set out in Schedule 2.

Lodgment of documents

5.(1) A written document that is lodged with the Registrar—

- (a) must be on A4 paper (or a multiple of A4) of medium weight and good quality; and
- (b) must not be a carbon copy or a copy reproduced by a spirit duplication method; and
- (c) must be able to be reproduced by a means satisfactory to the Registrar; and
- (d) must have written on the first sheet—
 - (i) the name of the friendly society; and
 - (ii) the title of the document; and
 - (iii) the name, address and telephone number of the person by whom the document is lodged; and
- (e) unless it is a document lodged for the purposes of section 3.1 of the Act, must be signed by an officer of the friendly society.

(2) The name of the person who signed the document must be written legibly under the person's signature.

PART 2—REGISTRATION AND INCORPORATION**Prescribed particulars—application for registration of friendly society**

6. For the purposes of section 3.1(4)(c) of the Act, the prescribed particulars are—

- (a) a copy of the statement of the proposed objects of the society presented to the meeting, signed and certified by those who acted as chairperson and secretary at the meeting; and
- (b) the full name, address, directorships held, and nature of appointment of each proposed executive officer and director of the friendly society; and

- (c) full particulars of the educational qualifications and experience of each proposed executive officer of the friendly society.

Advertising change of name of friendly society

7. For the purposes of section 3.9(5) of the Act, a friendly society must advertise a change of name in a daily newspaper circulating generally in Queensland within 14 days after the change of name takes effect.

Model rules

8. For the purposes of section 3.15 of the Act, the model rules are as set out in Schedule 3.

Alteration of rules of friendly society

9. For the purposes of section 3.16 of the Act, a proposed alteration of the rules of a friendly society is registered as prescribed if application is made in the approved form and the Registrar certifies that the alteration has been registered.

PART 3—MANAGEMENT

Disqualification from acting as director—prescribed authorities

10. For the purposes of section 4.5(4)(b) of the Act, the prescribed authorities are—

- (a) for Tasmania—the General Manager of Corrective Services;
- (b) for New South Wales—the Director-General of the Department of Corrective Services;
- (c) for South Australia—the Executive Director of the Department of Correctional Services;
- (d) for Victoria—the Director-General of the Department of Corrective Services;

- (e) for Western Australia—the Executive Director of the Department of Corrective Services;
- (f) for Queensland—the Director-General of Corrective Services;
- (g) for the Northern Territory—the Director of Correctional Services.

Loans to directors and related persons

11. For the purposes of section 4.16 of the Act, a prescribed relationship to a director is that of—

- (a) spouse (including a de facto spouse); or
- (b) parent, step-parent, brother, sister, stepbrother, stepsister, daughter, son, stepdaughter or stepson; or
- (c) a dependent of the director (other than a person referred to in paragraph (a) or (b)); or
- (d) the spouse (including a de facto spouse) of a person referred to in paragraph (b) or (c).

Meetings—advertising requirements

12. For the purposes of section 4.19(9) of the Act, a notice complies with section 4.19(8)(b) of the Act if—

- (a) it is advertised in the public notices column of a newspaper circulating generally throughout Australia and a newspaper circulating generally in the area of the friendly society's registered office; and
- (b) it is not less than 6 cm in width and 10 cm in depth; and
- (c) it includes—
 - (i) the society's registered name; and
 - (ii) the address of the society's registered office; and
 - (iii) the type of meeting to be held and the venue, date and time of the meeting; and
 - (iv) a description of the business to be discussed at the meeting, including the details of any special resolution; and

- (v) if applicable, a statement that the accounts, statements and reports referred to in section 4.29(1) of the Act will be available at the meeting and may be inspected at the society's registered office or obtained by members on request before the meeting; and
- (d) a copy of the advertisement is lodged with the Registrar before it is published.

Special resolution

13. For the purposes of section 4.23(3) of the Act, an application, in the approved form, for registration of a special resolution must be lodged with the Registrar within 14 days after the resolution is passed.

Particulars required to be included in registers

14. For the purposes of section 4.26(3) of the Act—

- (a) the register of members of a friendly society is required to contain the following particulars in respect of each member—
 - surname
 - other names (in full)
 - address
 - date of birth
 - date of admission to the society; and
- (b) the register of directors, principal executive officer, and secretary of a friendly society is required to contain the following particulars (where relevant) in respect of each director and principal executive officer and the secretary—
 - surname
 - other names (in full)
 - address
 - date of birth
 - occupation

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- date of election as director
 - office held
 - date of termination of office; and
- (c) the register of loans to, and securities given by, a friendly society is required to contain the following particulars in respect of each loan or charge—
- name and address of mortgagee or person entitled to charge
 - date on which consent of board or committee was given
 - date of loan
 - amount of charge created
 - security given, including description of property mortgaged or charged
 - registered number of security or charge
 - date for repayment of loan
 - date security released from charge; and
- (d) the register of investments made by a friendly society is required to contain the following particulars in respect of each investment—
- date authorised
 - nature of investment
 - face value
 - series number (if applicable)
 - maturity date
 - particulars relating to interest including rate
 - due date of interest
 - date purchased
 - name of fund (if relevant)
 - contract note number (if relevant)
 - price paid

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- net cost
 - redemption details (amount and date proceeds received); and
- (e) the register of land vested in, or leased by, a friendly society is required to contain the following particulars in respect of each parcel of land—
- fund invested and ledger account
 - locality
 - street and lot number
 - title reference
 - estate held (fee simple, or leasehold and term)
 - cost/rental
 - date purchased
 - date of approval of board; and
- (f) the register of loans made by, and securities taken by, a friendly society is required to contain the following particulars in respect of each loan—
- name of person to whom loan made
 - date loan approved
 - amount of advance
 - particulars relating to interest, including rate
 - security taken
 - title reference
 - mortgage reference
 - repayment details
 - ledger account reference; and
- (g) the register of assignments is required to contain the following particulars in respect of each assignment—
- name of transferor
 - table or rule involved

- date of admission to table
- date of registration
- name of transferee
- address of transferee
- related dealings (if any).

Modification of Parts 3.6 and 3.7 of Corporations Law—Accounts and audit

15.(1) For the purposes of section 4.27(i) of the Act, each of the following provisions of the Corporations Law is modified in the following manner.

Section 290—Synchronisation

(2) The following provisions apply instead of section 290(10), (11), (12), (13) and (14)—

‘(10) If the Registrar serves a copy of an order made under subsection (9) on a holding friendly society, the directors of that society may, within 2 months after the service of that order, appeal against the order to the Court.

‘(11) The Court is to determine the appeal and may for that purpose—

- (a) exercise any power that the Registrar has; and
- (b) make any order that the Registrar may make;

on an application under this section.

‘(12) If an application under this section is made by the directors of a holding friendly society, subsection (1) does not apply to the corporation that is the subsidiary to which the application relates until the application is granted or an appeal against a refusal to grant that application is determined.

‘(13) If the Registrar or the Court makes an order granting an application under this section, compliance with the terms of that order is to be taken to be compliance with subsection (1).

‘(14) If the Registrar or the Court makes an order refusing an application under this section, the directors of the holding friendly society must comply with subsection (1) within 12 months after—

- (a) if no appeal is lodged—the date of service of the copy of the Registrar’s order; or
- (b) if an appeal is lodged and the appeal is withdrawn—the date on which the appeal is withdrawn; or
- (c) if the order is made by the Court—the date on which the Court makes the order.

‘(15) If an application under this section is refused by the Registrar or on appeal, the directors of the holding friendly society are not entitled to make a further application under this section within 3 years after the date of the refusal.’.

Section 292—Profit and loss

(3) The following additional provision applies in the application of section 292—

‘All items of income or expense that are brought into account to determine the surplus or deficit of the friendly society and each of its funds must be separately itemised.’.

Section 313—Relief from requirements as to accounts and reports

(4) In the application of section 313(8) and (14) a reference to the Gazette is to be taken to be a reference to the Queensland Government Gazette.

(5) The following additional provisions apply in the application of section 313—

‘(15) A friendly society may appeal to the Court against—

- (a) an order made under subsection (2) or (6); or
- (b) the revocation or suspension of such an order; or
- (c) the refusal of an application for an order or for the revocation or suspension of an order.

‘(16) The appeal is to be lodged within 2 months after service of notice of the making, revocation or suspension of the order or, as the case may be, within 2 months after publication of notice of the making, revocation or suspension of the order.

‘(17) The Court may confirm, modify or set aside the order and may make any other order it thinks fit.’.

Section 329—Removal and resignation of auditors

(6) The following additional provisions apply in the application of section 329(6)—

‘An auditor, or a firm of auditors, appointed by a friendly society, who is aggrieved by the Registrar’s refusal to consent to the auditor’s or the firm’s resignation may appeal to the Court within one month after the date of receiving notice of the refusal.

‘The Court may, after giving the friendly society an opportunity to be heard, confirm the Registrar’s refusal or consent to the auditor’s resignation and may make any other order it thinks fit.’

Application of Division 5 of Part 4 of the Act—Actuarial valuations

16. For the purposes of section 4.33 of the Act, the following funds are benefit funds to which Division 5 of Part 4 of the Act apply—

- (a) sick and funeral funds;
- (b) life assurance funds, including flexible endowment assurance funds;
- (c) annuity funds.

Appointment of actuary—qualified person

17. For the purposes of section 4.34(7)(c) of the Act, the prescribed amount is \$5 000.

PART 4—FUNDS**Modification of Part 3.5 of the Corporations Law—Charges**

18. For the purposes of section 5.2 of the Act, a reference in that section to a provision of the Corporations Law is to be taken to include any regulation made pursuant to those provisions modified so that—

- (a) a reference to the register of company charges is taken to be a

reference to the register of friendly society charges; and

- (b) a reference to the Gazette is taken to be a reference to the Queensland Government Gazette.

Investment of funds

19.(1) For the purposes of section 5.3 of the Act, a friendly society may invest its funds from sources other than benefit funds as follows—

- (a) in loans to or shares in a subsidiary corporation of the friendly society;
- (b) in loans to or shares in a related body corporate;
- (c) in loans to or shares in joint ventures with other friendly societies or foreign friendly societies, whether or not the joint venture arrangement is by way of incorporation;
- (d) in loans to or shares in dispensaries;
- (e) if a friendly society is a continuing society that was a house society under the former Act—in stock, shares or debentures of the body corporate whose officers and employees comprise that friendly society.

(2) A friendly society may also invest its funds from any source—

- (a) in the withdrawable shares of, or on the deposit of an amount with, a building society (other than a building society approved for section 21(1)(k) of the *Trusts Act 1973*); and
- (b) in the withdrawable shares of, or on the deposit of an amount with, a credit union.

(3) In subsection (1)(e)—

“**continuing society**” has the same meaning as in section 13.2 of the Act;

“**former Act**” has the same meaning as in section 13.2 of the Act.

Benefit fund limit

20. For the purposes of section 5.10(5) of the Act, in the case of a single premium endowment fund, the prescribed amount (exclusive of any

bonuses or additions declared on assurances) is—

- (a) \$150 000; or
- (b) 0.2% of the assets of the fund as shown on the last annual return of the friendly society;

whichever is the higher.

Dispensing with probate or letters of administration

21. For the purposes of section 5.17(1) of the Act, the prescribed amount is \$10 000.

Contribution rates

22. Section 5.19 of the Act applies to benefits payable from—

- (a) sick and funeral funds; or
- (b) life assurance funds, including flexible endowment assurance funds; or
- (c) annuity funds.

Surrender and alteration of benefits—applicable benefits

23. For the purposes of section 5.21(b) of the Act, a benefit payable from a life assurance fund is an applicable benefit.

Operating standards—Division 6 of Part 5 of the Act

24. Sections 25, 26 and 27 are operating standards for the purposes of sections 5.25 to 5.27 of the Act.

Liquid assets

25.(1) For the purposes of section 5.24 of the Act, the following assets are prescribed as liquid assets—

- (a) cash on hand and at a bank;
- (b) deposits in a bank;

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- (c) certificates of deposit issued by a bank;
- (d) interest bearing deposits in a bank;
- (e) public funds or Commonwealth, State or Territory Government securities;
- (f) securities of which repayment of the amount secured and interest on that amount is guaranteed by the Commonwealth or a State or Territory Government;
- (g) securities charged on the funds or other property of the Brisbane City Council or another local authority in the State;
- (h) investments with or securities issued by the Queensland Industry Development Corporation;
- (i) assets invested with any dealer in the short term money market, approved by the Reserve Bank of Australia as an authorised dealer, who has established lines of credit with that bank as lender of last resort;
- (j) any bill of exchange accepted by a bank which—
 - (i) at the time of requisition has a maturity date of not more than 200 days; and
 - (ii) if purchased for value—confers on holders in due course a right of recourse against a bank as the acceptor or endorser of the bill for an amount equal to the face value of the bill;
- (k) in the purchase of shares in, or the deposit of moneys with, a permanent building society that is approved under section 227 of the *Building Societies Act 1985*.

(2) An asset or investment referred to in subsection (1) is not a liquid asset to the extent of any amount necessary to satisfy a lien or charge (other than a floating charge) over the asset or investment.

(3) The value of the liquid assets of a friendly society is the total of the monetary value of each asset or investment referred to in subsection (1) of the society (being the face value or market value of the asset or investment, whichever is the lower) after excluding any amount referred to in subsection (2).

Maintenance of liquid assets

26.(1) A friendly society that maintains a health insurance fund (other than a fund required to maintain a solvency ratio under any provision of the *National Health Act 1953* (Cwlth) or as a condition of any exemption granted by the Minister administering that Act) is required to maintain liquid assets of not less than two-twelfths of the total contributions made to the fund during the friendly society's previous financial year.

(2) A friendly society that maintains a benefit fund in which a contributor subscribes for a bond (whether or not it includes any death benefit) which may be surrendered or withdrawn at any time is required to maintain liquid assets of not less than 25% of the balance of the fund, after subtracting any loans from the fund to fund members on the security of the members' interest in the fund.

(3) A friendly society that maintains a benefit fund not included in subsection (1) or (2) is required to maintain liquid assets of not less than 10% of the balance of the fund, after subtracting any loans from the fund to fund members on the security of the members' interest in the fund.

(4) A friendly society that maintains a fund in which the assets of any benefit fund are not required under section 5.11(8) of the Act to be kept separate from other assets of the friendly society, is required to maintain liquid assets of not less than 10% of the balance of the combined fund, after subtracting any loans from the fund to fund members on the security of the members' interest in the fund.

Requirements for managed funds

27.(1) In this section—

“managed fund” means a benefit fund for which an actuary must be appointed under section 4.34 of the Act and any other benefit fund the contributors to which are led to expect profits, interests or monetary gain from participation in that benefit fund;

“unencumbered assets” means the monetary value of the assets of the friendly society which are not the assets of a benefit fund (being the cost of the assets as recorded in the books of the society with proper allowance for depreciation or diminution in value and reduced by the amount necessary to satisfy any lien or charge on those assets).

(2) A friendly society must not establish or maintain a benefit fund which is a managed fund unless the society maintains unencumbered assets of not less than—

- (a) 5% of the aggregate of all managed funds of the society; or
- (b) \$1 000 000;

whichever is the lower.

Inspection of documents in Registrar's Office—prescribed documents

28. For the purposes of section 8.8(1)(c) of the Act, the following documents are prescribed documents—

- (a) documents lodged with the Registrar under section 4.29(1) of the Act;
- (b) documents provided to the Registrar under section 5.27(1) of the Act;
- (c) documents (other than a form of annual return) provided to the Registrar under section 8.4 of the Act.

Modification of Parts 5.2 and 5.3 of Corporations Law—Official Management

29. For the purposes of section 10.1 of the Act, the prescribed modifications to Parts 5.2 and 5.3 of the Corporations Law include modifications by means of which, in those Parts and in regulations made for the purposes of those Parts—

- (a) references to a company are taken to be references to a friendly society; and
- (b) references to a special resolution or an extraordinary resolution are taken to be references to a special resolution within the meaning of the *Friendly Societies Act 1991*; and
- (c) references to the Gazette are taken to be references to the Queensland Government Gazette.

Modification of Parts 5.4 to 5.8 of Corporations Law—Winding up of friendly society

30.(1) For the purposes of section 10.2 of the Act, the prescribed modifications to Parts 5.4 to 5.8 of the Corporations Law include modifications by means of which, in those Parts and regulations made for the purposes of those Parts.

(2) References to a company are taken to be references to a friendly society.

(3) References to a special resolution or an extraordinary resolution are taken to be references to a special resolution within the meaning of the *Friendly Societies Act 1991*.

(4) The reference in section 544 to the Minister is taken to be a reference to the Treasurer of Queensland.

(5) The words ‘to be dealt with under Part 9.7’ are omitted from section 544.

(6) References to the Gazette are taken to be references to the Queensland Government Gazette.

(7) The application of section 544 is subject to the following additional provisions—

‘**(6)** There must be established and kept in the Treasury in the public accounts as part of the Trust and Special Funds a fund to be called the Friendly Societies Liquidation Account.

‘**(7)** Moneys paid to the Treasurer of Queensland are to be paid to the credit of the Friendly Societies Liquidation Account.

‘**(8)** Where, at the expiry of 6 years after the date on which unclaimed moneys were paid to the credit of the Friendly Societies Liquidation Account, those moneys have not been paid out of the account in accordance with this section, those moneys are to be paid to the Consolidated Fund.

‘**(9)** Where a person claims to be entitled to any moneys paid to the credit of the Friendly Societies Liquidation Account, the Treasurer of Queensland must, if satisfied that the person is entitled to that money, direct payment of that money to be made to that person out of the Friendly Societies Liquidation Account or, if the money has been paid to the Consolidated Fund under subsection (8), direct payment to the person of an equivalent

amount.

‘(10) A person who is dissatisfied with a decision of the Treasurer of Queensland on a claim made under subsection (9) may appeal to the Court and the Court may confirm or vary the Treasurer’s decision and may make any other order it thinks fit.

‘(11) If a person claims to be entitled to moneys that have been paid to another person under this section, the Treasurer of Queensland is not liable to that person in respect of any moneys paid in good faith and without negligence but that person may recover those moneys from the person to whom they have been paid.

‘(12) If a person claims to be entitled to moneys, being moneys an amount equivalent to which has been paid to another person under subsection (9) out of the Consolidated Fund, the Treasurer of Queensland is not liable to that person in respect of any moneys paid in good faith and without negligence but that person may recover those moneys from the person to whom they have been paid.’.

(8) The reference in sections 577(3) and (4) to the Minister is to be taken to be a reference to the Treasurer of Queensland.

(9) The words ‘to be dealt with under Part 9.7’ are omitted from section 577(4).

(10) Section 577 is subject to the following additional provisions—

‘(4A) Moneys paid to the Treasurer of Queensland under this section are to be paid to the Consolidated Fund.

‘(4B) A person making a claim in respect of any moneys paid to the Treasurer of Queensland under subsection (4) may apply to the Court for an order for payment of an amount to him or her, and the Court, if satisfied that an amount should be paid to him or her, must make an order for payment.

‘(4C) If the Court makes an order for the payment of an amount under subsection (4B) or the Treasurer of Queensland is otherwise of the opinion that an amount should be paid to a person out of moneys paid to the Treasurer under this section, the Treasurer must pay that amount to that person.’.

PART 5—FOREIGN FRIENDLY SOCIETIES

Certification and verification of documents

31.(1) For the purposes of section 11.2(1)(a) of the Act, the certified copy of a certificate of incorporation or registration must be a copy that has been certified within 3 months before it is lodged with the Registrar by an official holding an office or purporting to hold an office that corresponds with the office of Registrar in the State or Territory in which the foreign friendly society is formed or incorporated.

(2) For the purposes of section 11.2(1)(b) of the Act, the certified copy of a foreign friendly society's rules or other instrument constituting or defining its constitution must be a copy that has been certified within 3 months before it is lodged with the Registrar by—

- (a) an official holding or purporting to hold an office that corresponds with the office of Registrar in the State or Territory in which the foreign friendly society is formed or incorporated; or
- (b) a director or the secretary of the foreign friendly society.

(3) For the purposes of section 11.2(1)(e) of the Act, the manner of verification of a memorandum of appointment or power of attorney under seal is by statutory declaration in the approved form.

(4) Despite subsections (1) and (2), the Registrar may, in a particular case, accept a document which has been certified by a person referred to in those subsections more than 3 months before the documents are lodged if the Registrar is satisfied that it would be unreasonable to require strict compliance with subsection (1) or (2) or both of them.

Particulars of change or alteration in documents etc.

32. For the purposes of section 11.3(1) of the Act, the following additional documents are to be lodged with the Registrar—

- (a) where any change or alteration is made in the rules of a foreign friendly society or other instrument lodged with the Registrar—a copy of—
 - (i) the instrument effecting the change or alteration; or

- (ii) the rules or other instrument as changed or altered;
certified in the same manner as a certified copy referred to in section 31(2);
- (b) where any change or alteration is made in the name of a foreign friendly society—a copy of the certificate or document evidencing the change or alteration, certified in the same manner as a certified copy referred to in section 31(1);
- (c) where any change or alteration is made in the powers of any directors resident in the State who are members of the local board of directors of the foreign friendly society—a memorandum executed by or on behalf of the foreign friendly society stating the change or alteration made in the powers of the local directors.

PART 6—GENERAL

Amount of penalty

33. For the purposes of section 12.20 of the Act, the prescribed amount of a penalty that a friendly society may impose on a member is \$50.00.

Notice concerning assets—continuing societies

34.(1) For the purposes of section 13.4(2) of the Act, the notice that must be given by the secretary of a continuing society must be accompanied by a statutory declaration made by at least 1 person who holds the estate or interest in land referred to in the notice in trust for or on behalf of the society.

(2) If the notice is to be lodged with the Registrar of Titles, it must include a completed backing sheet that complies with the *Real Property Regulation 1993*.

(3) If the notice is to be lodged with some person other than the Registrar of Titles, the appropriate form and the backing sheet may be modified for that purpose.

SCHEDULE 2**FEES**

	section 4
	\$
1. For an application for registration of a friendly society . . .	400.00
2. For an application for registration of a foreign friendly society	212.00
3. For an application for exemption from section 3.10(1) of the Act	400.00
4. For an application for registration of an alteration of rules—	
each rule	5.00
maximum payable on 1 application	195.00
5. For an application for registration of a special resolution	5.00
6. For lodging a notice of particulars of a charge	56.00
7. For lodging a notice of assignment of a charge	33.50
8. For lodging a notice of variation in the terms of a charge	33.50
9. For lodging a memorandum of satisfaction of debt relating to a registered charge	33.50
10. For issuing a certificate of registration of a charge	14.00
11. For an application for approval of a statement required under section 4.22(3) of the Act	53.00
12. For an application for approval of an advertisement of an investor information memorandum	107.00
13. For an application for approval of any other advertisement	21.50
14. For an application for approval of a statement required under section 7.1(3) or 7.4(2) of the Act	53.00
15. For registration of an amalgamation under section 7.7 of the Act	21.50
16. For inspection at the office of the registrar of registration documents and rules, or a document lodged under the Act	

SCHEDULE 2 (continued)

or a corresponding previous law of the State in relation to—	
(a) a friendly society; or	
(b) a foreign friendly society; or	6.00
(c) a body exempted under section 3.10(1) of the Act .	
17. For an inquiry, other than an inquiry in person, involving an inspection to which item 16 refers	11.00
18. For the supply of each page of a certified copy of, or an extract from, a document to which item 16 refers	11.00
19. For the supply of each page of an uncertified copy of, or an extract from, a document to which item 16 refers	5.00
20. For an application to the registrar to exercise the powers conferred by section 575 or 577 of the Corporations Law, as applied by section 10.2 of the Act	85.00
21. For an act done by the registrar as representing a defunct friendly society or its liquidator under section 575 of the Corporations Law, as applied by section 10.2 of the Act .	85.00
22. For an act done by the registrar under section 577 of the Corporations Law, as applied by section 10.2 of the Act .	85.00
23. For an application made under the Act for which a fee is not provided by any other item	21.50

SCHEDULE 3

MODEL RULES

Name of society

1. The name of the friendly society is the [insert name].

Registered office

2. The address of the friendly society's registered office is [insert address].

Seal

3.(1) The friendly society's seal must show the society's name within 2 concentric circles around the words 'Common Seal'.

(2) The seal is only to be used when authorised by resolution of the board or of a general meeting and is to be attested by the signature of a director and the secretary or by the secretary and some other person authorised by the board.

- (3)** A resolution may confer a continuing authority to use the seal.

Custody of books etc.

4.(1) Unless the board directs otherwise, all books of account, securities, mortgages and other documents are to be kept at the friendly society's registered office.

(2) A direction under subrule (1) is to be given only if the board is satisfied that proper safety and security for the society's documents can be provided at a place other than the registered office.

SCHEDULE 3 (continued)

Objects

5. The friendly society's objects are—

[insert relevant objects permitted by section 2.1 of the Act].

Membership

6.(1) A person who is a contributor to any of the friendly society's benefit funds is a member of the society.

(2) A dependant of a contributor to any of the friendly society's benefit funds is entitled to be admitted as a member of the society.

(3) A former contributor to any of the friendly society's benefit funds or a dependant of a former contributor is entitled to be admitted as a member of the society if he or she is entitled to a benefit from any of those funds.

(4) A person who is not a member of the friendly society may be admitted as an honorary member of the society.

(5) An honorary member is not entitled to vote at a meeting of the friendly society.

(6) A member is only entitled to those benefits and privileges that attach to the benefit fund to which the member is a contributor or of which the member is a beneficiary.

Cessation of membership

7. A member ceases to be a member if—

- (a) he or she dies; or
- (b) his or her membership contract is rescinded on the grounds of misrepresentation or mistake; or
- (c) his or her eligibility for benefit from a benefit fund is terminated under the fund's rules.

SCHEDULE 3 (continued)

Settlement of disputes

8. Disputes between the friendly society and—

- (a) any officer of the society; or
- (b) a member of the society or a person who claims by or through a member under these rules;

that does not involve determination of a question of law is to be settled by arbitration under the *Commercial Arbitration Act 1990*.

Board of directors

9.(1) The friendly society's board is to consist of [insert number] directors.

(2) The board may appoint a member who is qualified to be a director to act during the absence of a director.

(3) A member may be elected at a general meeting to fill a casual vacancy in the office of director for the remainder of the former director's term of office.

Election of directors

10.(1) The first directors are to be elected at the meeting for the formation of the friendly society.

(2) At each annual general meeting [insert number] directors are to retire.

(3) The order in which directors are to retire is to be determined by the board or, if necessary, by lot.

(4) If the order of retirement is determined by lot, directors retire in the order in which names are withdrawn.

(5) The manner in which nominations for election as a director and the election is to be conducted must be determined by the board.

(6) A retiring director who is qualified for election is eligible for re-election without nomination.

(7) The election is to be conducted at an annual general meeting.

SCHEDULE 3 (continued)

(8) If less than 5 directors are elected, the meeting is to stand adjourned to a date, time and place notified by the secretary in writing.

(9) A further election is to be held at the resumed meeting but only to fill the remaining vacancies of directors.

Removal from office

11. A director must not be removed from office unless the director has been given an opportunity to be heard.

Board meetings

12.(1) The secretary must summon a board meeting whenever the chairperson directs or 2 or more directors request a meeting.

(2) Except in circumstances which the chairperson considers are special circumstances, at least 14 days written notice of the date, time and place of a board meeting is to be given to directors.

(3) A decision of a majority of the directors present and voting is a decision of the board.

(4) The quorum for a board meeting is at least half the number of directors.

(5) If the number of directors falls below a quorum the remaining directors may only act for the purpose of filling casual vacancies on the board.

(6) If the chairperson is not present within 5 minutes after the time when a board meeting is to be held, the directors present may choose a chairperson for the meeting.

Notices

13. A notice of meeting may be given personally or by post and if given by post is to be taken to have been received on the day when the notice would ordinarily have been delivered by post.

SCHEDULE 3 (continued)**Act etc. to be available at registered office**

14. The board must ensure that a copy of the Act, regulations, model rules and rules of the friendly society are at all times available to members at the society's registered office.

Insurance

15. The friendly society must at all times maintain with an insurer adequate insurance—

- (a) to protect the society's assets; and
- (b) to indemnify officers for the purposes prescribed by section 4.9(2) of the Act.

Annual general meeting—agenda

16. The agenda for the friendly society's annual general meeting is—

- (a) to approve and adopt as a record the minutes of the previous annual general meeting and any subsequent general meeting for which minutes have not been approved and adopted;
- (b) to receive from the board, auditors, actuaries or other officers of the friendly society reports, on the society's transactions;
- (c) to elect directors;
- (d) to determine the remuneration of directors;
- (e) to consider any special business of which notice has been given.

Special general meetings

17.(1) The board may from time to time convene special general meetings of the friendly society.

(2) If not less than 10% of the members or 20 members, whichever is lower, request a special general meeting, the board must convene such a meeting within 21 days of the date of deposit of the request at the society's registered office.

SCHEDULE 3 (continued)

(3) A request must—

- (a) be signed by all members making the request; and
- (b) be deposited at the friendly society's registered office;

and may consist of any number of similar documents signed and lodged by members.

(4) If the board does not convene a special general meeting that has been requested by members, the members who requested the meeting may convene the meeting at any time within 3 months after deposit of the request.

(5) All reasonable costs incurred by members who convene a special general meeting are to be refunded by the friendly society and are to be deducted by the society from payments due to the directors as fees or other remuneration for services.

General meetings

18.(1) A quorum at a general meeting is 8 members.

(2) Notice of a resolution proposed to be submitted at a general meeting is to be given to the secretary at least 21 days before the date of the meeting and is to be included in the notice of meeting given to members.

(3) If the chairperson is not present within 15 minutes after the notified time for the general meeting, the members present may choose a member to chair the meeting.

(4) The chairperson's declaration that a resolution has passed on a show of hands is, *prima facie*, evidence of that fact.

(5) If a poll is demanded, the poll must be taken immediately.

Financial year

19. The friendly society's financial year ends on [insert date] in each year.

SCHEDULE 3 (continued)

Banking

20.(1) The board must establish as many bank accounts in the name of the friendly society as the board considers necessary.

(2) All moneys received by or on behalf of the friendly society must be deposited to the credit of the appropriate bank account as soon as possible after it is received.

(3) Cheques drawn on a friendly society account and all drafts, bills of exchange, promissory notes and other negotiable instruments for or on behalf of the society must be signed by 2 directors or any 2 persons authorised by the board.

Winding up

21. If the friendly society is wound up, any surplus on the winding up must, subject to any lawful claim against the surplus, be vested in the [insert name of friendly society].

Raising of funds

22. The friendly society may raise funds by [insert method by which funds are to be raised].

Investments

23. The friendly society may invest its funds in [insert nature and extent of investments authorised by section 5.3 of the Act and section 20].

Loans and advances

24.(1) An applicant for a loan on the security of real property must—

- (a) complete and lodge an application in the form approved by the board; and
- (b) pay any fees required by the board; and
- (c) provide any information that is necessary to enable a valuation of

SCHEDULE 3 (continued)

the property to be made and the title to the property to be investigated.

(2) The board may impose any conditions that it considers necessary in making an advance, including but not limited to conditions—

- (a) that a guarantor acceptable to the board guarantee the advance;
- (b) that the borrower effect a life insurance policy or benefit of an amount fixed by the board, the proceeds of which may be applied towards repayment of the advance;
- (c) that a policy of mortgage insurance for the amount of the advance be effected at the borrower's expense with an authorised mortgage insurer;
- (d) that such other collateral or security as the board considers appropriate be given.

(3) If an advance is to be secured by a mortgage over real property the board may require that a survey of the property be carried out at the borrower's expense.

(4) A mortgage must—

- (a) contain such usual and other covenants as the board considers appropriate and necessary to secure the advance; and
- (b) secure the payment of the advance (including any further advance that the society may make) and the payment of subscriptions, levies, duties, fines, interest, charges and other money to which a borrower is or may become liable under the mortgage.

Solicitor

25. The Board must engage a solicitor to act as solicitor for the friendly society.

Assignment of benefits

26. A member serving on the friendly society an instrument of assignment of a contract for the provision of—

SCHEDULE 3 (continued)

- (a) life insurance benefits; or
- (b) superannuation benefits; or
- (c) a benefit in the form of an annuity;

must pay the fee of [insert fee].

Nomination under section 5.16 of the Act

27. The form of nomination to be used for the purposes of section 5.16 of the Act is the form set out in Schedule 1.

Change of address

28. A member of the friendly society who changes his or her address must notify the secretary in writing within 7 days of that change.

SCHEDULE 3 (continued)

SCHEDULE 1**NOMINATION FORM**

(For completion by a member who desires that any particular life insurance, superannuation or annuity benefit payable as a result of such member's death, be paid subject to the Act and the Rules to a nominated person.)

TO: THE BOARD OF DIRECTORS

Pursuant to section 5.16 of the *Friendly Societies Act 1991*, I,.....

.....direct that upon my death my entitlement and benefits accrued on or due in respect of theFund,

Policy Certificate No.to which I am entitled, be paid in the percentages indicated to each of the following persons—

1. 2. 3.

SURNAME OF NOMINEE:

FIRST NAME OF NOMINEE:

ADDRESS:

RELATIONSHIP TO MEMBER (if any):

PERCENTAGE OF BENEFIT PAYABLE TO NOMINEE:

This nomination revokes all previous nominations made by me with respect to the benefit specified in this nomination.

Member's signature:

Member's address:

Date:

Witness's signature:

Witness's address:

Date:

ENDNOTES

1 Index to endnotes

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2	Date to which amendments incorporated	36
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2 Date to which amendments incorporated

This is the reprint date mentioned in the Reprints Act 1992, section 5(c). Accordingly, this reprint includes all amendments that commenced operation on or before 9 October 1996. Future amendments of the Friendly Societies Regulation 1991 may be made in accordance with this reprint under the Reprints Act 1992, section 49.

3 Key

Key to abbreviations in list of legislation and annotations

AIA	=	Acts Interpretation Act 1954	(prev)	=	previously
amd	=	amended	proc	=	proclamation
ch	=	chapter	prov	=	provision
def	=	definition	pt	=	part
div	=	division	pubd	=	published
exp	=	expires/expired	R[X]	=	Reprint No.[X]
gaz	=	gazette	RA	=	Reprints Act 1992
hdg	=	heading	reloc	=	relocated
ins	=	inserted	renum	=	renumbered
lap	=	lapsed	rep	=	repealed
notfd	=	notified	s	=	section
om	=	omitted	sch	=	schedule
o in c	=	order in council	sdiv	=	subdivision
p	=	page	SIA	=	Statutory Instruments Act 1992
para	=	paragraph	SL	=	subordinate legislation
prec	=	preceding	sub	=	substituted
pres	=	present	unnum	=	unnumbered
prev	=	previous			

4 Table of earlier reprints

TABLE OF EARLIER REPRINTS

[If a reprint number includes an arabic letter, the reprint was released in unauthorised, electronic form only]

Reprint No.	Amendments included	Reprint date
1	to SL No. 457 of 1993	21 December 1993

5 List of legislation

Friendly Societies Regulation 1991 SL No. 29

pubd gaz 27 July 1991 pp 1707–53
commenced 1 August 1991 (see s 2)

as amended by—

Friendly Societies Amendment Regulation 1991 SL No. 121

pubd gaz 2 November 1991 pp 998–1001
commenced on date of publication

Treasury (Variation of Fees) Regulation 1992 SL No. 184 s 3 sch 4

pubd gaz 26 June 1992 pp 2070–81
ss 1–2 commenced on date of publication
remaining provisions commenced 1 July 1992 (see s 2)

Friendly Societies Amendment Regulation (No. 1) 1993 SL No. 457

notfd gaz 17 December 1993 pp 1812–21
commenced on date of notification

Friendly Societies Amendment Regulation (No. 1) 1995 SL No. 123

notfd gaz 12 May 1995 pp 668–9
commenced on date of notification

6 List of annotations

Short title

s 1 sub 1991 SL No. 121 s 5

Registrar may approve forms

s 2 sub 1993 No. 457 s 3

Alteration of rules of friendly society

s 9 amd 1993 No. 457 s 4

Meetings—advertising requirements

s 12 amd 1991 SL No. 121 s 4

Special resolution

s 13 amd 1993 SL No. 457 s 5

Investment of funds

s 19 amd 1995 SL No. 123 s 3

Inspection of documents in Registrar's Office—prescribed documents

s 28 amd 1991 SL No. 121 s 6

Certification and verification of documents

s 31 amd 1993 SL No. 457 s 6

SCHEDULE 1—FORMS—LIST OF FORMS

amd 1991 SL No. 121 s 4

om 1993 SL No. 457 s 7

SCHEDULE 2—FEES

amd 1991 SL No. 121 s 7

sub 1992 SL No. 184 s 3 sch 4