



Banking Legislation Amendment Act 1986

No. 166 of 1986

TABLE OF PROVISIONS

PART I—PRELIMINARY

Section

1. Short title
 2. Commencement
- PART II—AMENDMENTS OF THE RESERVE BANK ACT 1959**
3. Principal Act
 4. Repeal of section and substitution of new section—
 15. Remuneration of members
 5. Governor and Deputy Governor
 6. Insertion of new section—
 - 24A. Remuneration of Governor and Deputy Governor
 7. Functions of Department
 8. Insertion of new section—
 - 65A. Winding up of Rural Credits Department
 9. Repeal of Part VI
 10. Determination of net profits
 11. Repeal of Second Schedule
 12. Formal and minor amendments

PART III—AMENDMENTS OF THE BANKING ACT 1959

13. Principal Act
14. Balance-sheets and statements to be furnished by trading banks
15. Additional statements
16. Preparation and delivery of Forms
17. Certain statements to be published in the *Gazette*

SCHEDULE

FORMAL AND MINOR AMENDMENTS OF THE RESERVE BANK ACT 1959



Banking Legislation Amendment Act 1986

No. 166 of 1986

An Act to amend the *Reserve Bank Act 1959* and the *Banking Act 1959*

[Assented to 18 December 1986]

BE IT ENACTED by the Queen, and the Senate and the House of Representatives of the Commonwealth of Australia, as follows:

PART I—PRELIMINARY

Short title

1. This Act may be cited as the *Banking Legislation Amendment Act 1986*.

Commencement

2. (1) Subject to sub-section (2), this Act shall come into operation on the twenty-eighth day after the day on which it receives the Royal Assent.

(2) Sections 9, 10 and 11 and Part III shall come into operation on a day to be fixed by Proclamation.

PART II—AMENDMENTS OF THE RESERVE BANK ACT 1959

Principal Act

3. The *Reserve Bank Act 1959*¹ is in this Part referred to as the Principal Act.

4. Section 15 of the Principal Act is repealed and the following section is substituted:

Remuneration of members

“15. (1) A member of the Board shall be paid such remuneration (if any) as is determined by the Remuneration Tribunal.

“(2) A member of the Board shall be paid such allowances as are prescribed.

“(3) This section has effect subject to the *Remuneration Tribunals Act 1973*.

“(4) A reference in this section to a member of the Board does not include a reference to the Governor or the Deputy Governor.”.

Governor and Deputy Governor

5. Section 24 of the Principal Act is amended by omitting sub-section (2).

6. After section 24 of the Principal Act the following section is inserted:

Remuneration of Governor and Deputy Governor

“24A. (1) The Governor and the Deputy Governor shall be paid such remuneration as is determined by the Remuneration Tribunal.

“(2) The Governor and the Deputy Governor shall be paid such allowances as are prescribed.

“(3) This section has effect subject to the *Remuneration Tribunals Act 1973*.”.

Functions of Department

7. Section 57 of the Principal Act is amended by omitting paragraphs (1) (b) and (c) and substituting the following paragraphs:

“(b) co-operative associations; and

“(c) associations of co-operative associations.”.

8. After section 65 of the Principal Act the following section is inserted in Part VI:

Winding up of Rural Credits Department

“65A. (1) The Bank shall not make an advance, or discount a bill, under section 57 after the termination date.

“(2) Where, at a particular time, the Board is satisfied that a part (in this sub-section referred to as the ‘surplus’) of the capital or reserves of the Rural Credits Department is not required for the purposes of the operation of the Rural Credits Department after that time, the Board may determine that the whole or a part of the surplus be paid out of the Rural Credits Department.

“(3) Where, at a particular time after the termination date, the Board is satisfied that—

- (a) all debts due to the Bank in respect of advances made, or bills discounted, under section 57 have been fully and finally accounted for, whether by reason that the debts have been discharged, written off as bad debts or otherwise;
- (b) all loans made under section 60, and all advances made under section 61, have been repaid;
- (c) there will not be a net profit of the Rural Credits Department in the year in which the time occurred; and
- (d) the net profits of the Rural Credits Department in each of the years preceding that year have been dealt with in accordance with section 63,

the Board may determine that all of the money standing to the credit of the Rural Credits Department at that time (other than any money standing to the credit of the Rural Credits Development Fund) be paid out of the Rural Credits Department.

“(4) Before making a determination under sub-section (2) or (3), the Board shall consult with the Treasurer.

“(5) Where the Board makes a determination under sub-section (2) or (3), the Board shall inform the Treasurer accordingly.

“(6) As soon as practicable after the Treasurer is informed by the Board of the making of a determination under sub-section (2) or (3) in respect of an amount standing to the credit of the Rural Credits Department, the Treasurer shall, by notice in writing given to the Board—

- (a) direct that the whole of the amount be paid to the Commonwealth;
- (b) direct that the whole of the amount be transferred to the credit of the Reserve Bank Reserve Fund; or
- (c) direct that—
 - (i) a specified part of the amount be transferred to the credit of the Reserve Bank Reserve Fund; and
 - (ii) the remaining part of the amount be paid to the Commonwealth,

and the Board shall comply with the direction.

Banking Legislation Amendment No. 166, 1986

“(7) Before giving a direction under sub-section (6), the Treasurer shall consult with the Board.

“(8) Where, at a time after the Board complies with a direction given under sub-section (6) in relation to a determination under sub-section (3), the Board is satisfied that there is no money standing to the credit of the Rural Credits Department, the Board shall recommend to the Treasurer that action be taken to bring into effect the repeal of this Part.

“(9) Where—

- (a) the Board makes a determination under sub-section (3) in respect of an amount standing to the credit of the Rural Credits Department at a particular time; and
- (b) an amount would, but for this sub-section, be required to be placed to the credit of the Rural Credits Department after that time,

the amount referred to in paragraph (b) shall be placed to the credit of the Reserve Bank Reserve Fund.

“(10) A reference in this section to the reserves or capital of the Rural Credits Department is a reference to—

- (a) an amount that forms part of the capital of the Rural Credits Department;
- (b) an amount standing to the credit of the Rural Credits Department Reserve Fund; and
- (c) any other amount that forms part of the reserves of the Rural Credits Department,

but does not include a reference to an amount standing to the credit of the Rural Credits Development Fund.

“(11) In this section, ‘termination date’ means 30 June 1988 or such later date as the Treasurer, by notice in writing in the *Gazette*, determines.”.

Repeal of Part VI

9. Part VI of the Principal Act is repealed.

Determination of net profits

10. Section 78 of the Principal Act is amended by omitting “or the Rural Credits Department”.

Repeal of Second Schedule

11. The Second Schedule to the Principal Act is repealed.

Formal and minor amendments

12. The Principal Act is amended as set out in the Schedule.

PART III—AMENDMENTS OF THE BANKING ACT 1959

Principal Act

13. The *Banking Act 1959*² is in this Part referred to as the Principal Act.

Banking Legislation Amendment No. 166, 1986

Balance-sheets and statements to be furnished by trading banks

14. Section 52 of the Principal Act is amended by omitting sub-section (2).

Additional statements

15. Section 54 of the Principal Act is amended by omitting sub-section (2).

Preparation and delivery of Forms

16. Section 55 of the Principal Act is amended by omitting from sub-section (1) “, except in the case of a statement prepared by the Reserve Bank,”.

Certain statements to be published in the *Gazette*

17. Section 58 of the Principal Act is amended by omitting from sub-section (2) “and in respect of the Rural Credits Department of the Reserve Bank”.

SCHEDULE

Section 12

FORMAL AND MINOR AMENDMENTS OF THE RESERVE BANK ACT 1959

Sub-section 4 (2)—

Omit “The last preceding sub-section”, substitute “Sub-section (1)”.

Sub-section 6A (2)—

Omit “1901-1973”, substitute “1901”.

Sub-section 7 (1)—

- (a) Omit “sub-section (1) of section 4”, substitute “sub-section 4 (1)”.
- (b) Omit “1911-1943”, substitute “1911”.
- (c) Omit “1945-1953”, substitute “1945”.

Sub-section 11 (7)—

Omit “fifteen”, substitute “15”.

Sub-section 12 (2)—

Omit “sub-section (1) of section 10”, substitute “sub-section 10 (1)”.

Paragraph 14 (1) (d)—

Omit “seven”, substitute “7”.

Sub-sections 14 (2), (3) and (4)—

Omit the sub-sections, substitute the following sub-sections:

“(2) Of the 7 members appointed under paragraph (1) (d), at least 5 shall be persons who are not officers of the Bank or of the Australian Public Service.

“(3) A member appointed under paragraph (1) (d) who is an officer of the Bank or of the Australian Public Service at the time of his or her appointment holds office during the pleasure of the Governor-General.

Banking Legislation Amendment No. 166, 1986

SCHEDULE—continued

“(4) A member appointed under paragraph (1) (d) who is not an officer of the Bank or of the Australian Public Service—

- (a) shall, subject to sub-section (5), be appointed for a period of 5 years but is eligible for re-appointment; and
- (b) holds office subject to good behaviour.”.

Sub-section 14 (5)—

Omit “Public Service of the Commonwealth”, substitute “Australian Public Service”.

Section 16—

Insert “or her” after “his”.

Paragraph 17 (a)—

Omit “paragraph (d) of sub-section (1) of section 14”, substitute “paragraph 14 (1) (d)”.

Sub-section 18 (1)—

- (a) Omit “paragraph (d) of sub-section (1) of section 14”, substitute “paragraph 14 (1) (d)”.
- (b) Insert “or her” after “his” (wherever occurring).

Paragraph 18 (1) (d)—

- (a) Omit “two”, substitute “2”.
- (b) Omit “three”, substitute “3”.
- (c) Omit “twelve”, substitute “12”.

Sub-section 18 (2)—

Omit “twelve”, substitute “12”.

Section 20—

- (a) Omit “Chairman” (wherever occurring), substitute “Chairperson”.
- (b) Add at the end the following sub-sections:
 - “(2) The Chairperson may be referred to as the Chairman or Chairwoman, as the case requires.
 - “(3) The Deputy Chairperson may be referred to as the Deputy Chairman or Deputy Chairwoman, as the case requires.”.

Sub-sections 21 (1), (2) and (3)—

Omit “Chairman” (wherever occurring), substitute “Chairperson”.

Sub-section 21 (2)—

Insert “or she” after “he”.

Sub-section 21 (3)—

Omit “Six”, substitute “6”.

Sub-section 23 (1)—

- (a) Omit “twenty-five”, substitute “25”.
- (b) Omit “his interest”, substitute “the member’s interest”.
- (c) Omit “he”, substitute “the member”.
- (d) Omit “his knowledge”, substitute “the knowledge of the member”.

Sub-section 23 (2)—

Omit “the last preceding sub-section”, substitute “sub-section (1)”.

SCHEDULE—continued

Paragraph 24 (1) (b)—

Omit “seven”, substitute “7”.

Section 25—

Insert “or her” after “his” (wherever occurring).

Paragraph 28 (a)—

Omit “1945-1953”, substitute “1945”.

Paragraph 28 (b)—

Omit “the next succeeding section”, substitute “section 29”.

Paragraph 29 (1) (a)—

Omit “1945-1953”, substitute “1945”.

Paragraph 29 (1) (b)—

Omit “the next succeeding section”, substitute “section 30”.

Section 32 (definition of “Australian note”)—

Omit the definition, substitute the following definition:

“‘Australian note’ means a note issued under the *Australian Notes Act 1910*, under Part VII of the *Commonwealth Bank Act 1911*, under Part VI of the *Commonwealth Bank Act 1945* or under this Part as in force at any time;”.

Sub-section 36 (2)—

Omit “the last preceding sub-section”, substitute “sub-section (1)”.

Section 39—

Omit “1945-1953”, substitute “1945”.

Sub-section 41 (2)—

- (a) Omit “twenty”, substitute “20”.
- (b) Omit “forty”, substitute “40”.

Section 42—

Omit “Two hundred dollars”, substitute “\$200”.

Sub-section 44 (1)—

Omit “One thousand dollars”, substitute “\$1,000”.

Sub-section 57 (2)—

- (a) Omit “the last preceding sub-section”, substitute “sub-section (1)”.
- (b) Omit “paragraph (a), (b) or (c) of that sub-section”, substitute “paragraph (1) (a), (b) or (c)”.

Sub-section 57 (4)—

Omit “to this Act”.

Paragraph 59 (a)—

Omit “1945-1953”, substitute “1945”.

Section 60—

Omit “Six million dollars”, substitute “\$6,000,000”.

Paragraph 62 (1) (a)—

Omit “1945-1953”, substitute “1945”.

SCHEDULE—continued

Paragraph 62 (1) (b)—

Omit “the next succeeding section”, substitute “section 63”.

Paragraphs 68 (1) (a) and (b)—

Insert “or she” after “he”.

Paragraph 68 (1) (c)—

Insert “or her” after “his”.

Paragraph 71 (2) (a)—

Insert “or she” after “he”.

Sub-section 71 (3)—

Omit “One thousand dollars”, substitute “\$1,000”.

Section 72—

- (a) Omit “sixty”, substitute “60”.
- (b) Omit “sixty-five”, substitute “65”.

Paragraph 72 (a)—

Omit “1945-1953”, substitute “1945”.

Paragraph 72 (b)—

- (a) Insert “or her” after “his”.
- (b) Insert “or she” after “he”.

Sub-paragraphs 72 (e) (i), (ii) and (iii)—

Omit “him”, substitute “the person”.

Section 76—

Insert “or she” after “he”.

Section 77—

Insert “or her” after “his”.

Sub-section 80 (1)—

Insert “or her” after “his”.

Sub-section 80 (2)—

Omit “the last preceding sub-section”, substitute “sub-section (1)”.

Sub-sections 80 (3), (4) and (5)—

Omit “him” (first occurring), substitute “the Auditor-General”.

Sub-section 80 (5)—

Omit “furnish him”, substitute “furnish the Auditor-General or the officer, as the case may be.”.

Sub-section 81 (2)—

- (a) Insert “or her” after “his”.
- (b) Omit “the last preceding sub-section”, substitute “sub-section (1)”.

Section 89—

Omit “One hundred dollars”, substitute “\$100”.

Banking Legislation Amendment No. 166, 1986

NOTES

1. No. 4, 1959, as amended. For previous amendments, see No. 96, 1965; No. 93, 1966; Nos. 118 and 216, 1973; No. 36, 1978; No. 155, 1979; No. 70, 1980; No. 122, 1981; Nos. 63 and 76, 1984; and No. 65, 1985.
2. No. 6, 1959, as amended. For previous amendments, see No. 127, 1965; No. 93, 1966; No. 84, 1967; Nos. 116, 193 and 216, 1973; No. 132, 1974; No. 156, 1977; No. 78, 1978; No. 19, 1979; No. 80, 1982; and No. 76, 1984.

NOTE ABOUT SECTION HEADING

1. The heading to section 20 of the *Reserve Bank Act 1959* is altered to “Chairperson and Deputy Chairperson”.

[*Minister's second reading speech made in—
House of Representatives on 24 September 1986
Senate on 15 October 1986*]