

2008

The Parliament of the
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

Presented and read a first time

**Reserve Bank Amendment (Enhanced
Independence) Bill 2008**

No. , 2008

(Treasury)

**A Bill for an Act to amend the *Reserve Bank Act
1959*, and for related purposes**

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1 **A Bill for an Act to amend the *Reserve Bank Act***
2 ***1959, and for related purposes***

3 The Parliament of Australia enacts:

4 **1 Short title**

5 This Act may be cited as the *Reserve Bank Amendment (Enhanced*
6 *Independence) Act 2008*.

7 **2 Commencement**

8 This Act commences on the day after it receives the Royal Assent.

9 **3 Schedule(s)**

10 Each Act that is specified in a Schedule to this Act is amended or
11 repealed as set out in the applicable items in the Schedule

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concerned, and any other item in a Schedule to this Act has effect according to its terms.

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Schedule 1—Amendments

Reserve Bank Act 1959

1 Paragraphs 24(1)(a) and (b)

Omit “Treasurer”, substitute “Governor-General”.

2 Section 24B

Omit “Treasurer”, substitute “Governor-General”.

3 Section 25

Repeal the section, substitute:

25 Termination of appointment as Governor or Deputy Governor

Termination at request of Parliament

- (1) The Governor-General may terminate the appointment of the Governor or the Deputy Governor if each House of the Parliament, in the same session of the Parliament, presents an address to the Governor-General praying for the termination of the appointment on a ground for termination specified in subsection (8).

Suspension by Governor-General

- (2) The Governor-General may suspend the Governor or the Deputy Governor from office on a ground for termination specified in subsection (8).
- (3) The Minister must cause to be laid before each House of the Parliament, within 7 sitting days of that House after the suspension, a statement identifying the office holder suspended and the ground of the suspension.
- (4) A House of the Parliament may, within 15 sitting days of that House after the day on which the statement is laid before it, declare by resolution that the appointment of the office holder identified in the statement should be terminated.

1 (5) If a resolution is passed by each House of the Parliament in
2 accordance with subsection (4) in the same session of the
3 Parliament, the Governor-General must terminate the appointment
4 to which the resolution relates.

5 (6) If a resolution is not passed by each House of the Parliament in
6 accordance with subsection (4) in the same session of the
7 Parliament, the suspension of the office holder identified in the
8 statement terminates on the day after the last day that such a
9 resolution could have been passed.

10 *Suspension does not affect entitlements*

11 (7) The suspension of the Governor or the Deputy Governor from
12 office under this section does not affect any entitlement of the
13 Governor or the Deputy Governor to be paid remuneration and
14 allowances.

15 *Grounds for termination*

16 (8) For the purposes of this section, it is a ground for termination if the
17 Governor or the Deputy Governor:

18 (a) becomes permanently incapable of performing his or her
19 duties; or

20 (b) engages in any paid employment outside the duties of his or
21 her office; or

22 (c) becomes bankrupt, applies to take the benefit of any law for
23 the relief of bankrupt or insolvent debtors, compounds with
24 his or her creditors or makes an assignment of his or her
25 salary for their benefit.

26 (9) The appointment of the Governor or the Deputy Governor must not
27 be terminated on a ground for termination specified in
28 subsection (8) except as provided by this section.

29 **4 Application**

30 (1) The amendment made by item 1 of this Schedule applies in relation to
31 appointments made on or after the commencement of this item.

32 (2) The amendment made by item 2 of this Schedule applies in relation to
33 resignations given on or after the commencement of this item.

1 (3) The amendment made by item 3 of this Schedule applies in relation to
2 the termination or suspension of an appointment on or after the
3 commencement of this item.