

RESERVE BANK ACT 1959
- Updated as at 1 April 1996 (HISTACT CHAP 2822 #DATE
01:04:1996)

1 The Reserve Bank Act 1959 as shown in this reprint comprises Act No. 4, 1959 amended as indicated in the Tables below. The Banking (Transitional Provisions) Act 1959 enacts certain transitional provisions consequential upon the enactment of the Reserve Bank Act and other Acts relating to banking.

Table of Acts

| Act Number and year | Date of Assent | Date of commencement | Application, saving or transitional provisions |
|---------------------------|-------------------|-------------------------|---|
|---------------------------|-------------------|-------------------------|---|

Reserve Bank Act 1959

| | | | |
|---------|-------------|--|--|
| 4, 1959 | 23 Apr 1959 | 14 Jan 1960 (see Gazette 1960, p. 47) | |
|---------|-------------|--|--|

Reserve Bank Act 1965

| | | | |
|----------|-------------|-------------|------|
| 96, 1965 | 10 Dec 1965 | 14 Feb 1966 | S. 7 |
|----------|-------------|-------------|------|

Statute Law Revision (Decimal Currency) Act 1966

| | | | |
|----------|-------------|------------|---|
| 93, 1966 | 29 Oct 1966 | 1 Dec 1966 | - |
|----------|-------------|------------|---|

Reserve Bank Act 1973

| | | | |
|-----------|-------------|-------------------|---|
| 118, 1973 | 26 Oct 1973 | S. 5: 22 Mar 1971 | - |
|-----------|-------------|-------------------|---|

Remainder: Royal Assent

Statute Law Revision Act 1973

| | | | |
|-----------|-------------|-------------|-----------|
| 216, 1973 | 19 Dec 1973 | 31 Dec 1973 | Ss. 9 (1) |
|-----------|-------------|-------------|-----------|

and

Administrative Changes (Consequential Provisions) Act 1978

| | | | |
|---|--------------|--------------------------|-----------|
| 36, 1978 | 12 June 1978 | 12 June 1978 | - |
| Australian Federal Police (Consequential Amendments) Act 1979 | | | |
| 155, 1979 | 28 Nov 1979 | 19 Oct 1979 (see s. 2 | - |
| | | and Gazette 1979, | |
| | | No. S206) | |
| Australian Federal Police (Consequential Amendments) Act 1980 | | | |
| 70, 1980 | 28 May 1980 | 28 May 1980 | - |
| Crimes (Currency) Act 1981 | | | |
| 122, 1981 | 17 Sept 1981 | Ss. 1-3: Royal Assent | S. 40 (2) |
| | | Remainder: 16 Dec 1985 | |
| | | (see s. 2 (2)) | |
| as amended by | | | |
| Statute Law (Miscellaneous Provisions) Act (No. 2) 1985 | | | |
| 193, 1985 | 16 Dec 1985 | S. 3: 16 Dec 1985 (a) | S. 16 |
| Public Service Reform Act 1984 | | | |
| 63, 1984 | 25 June 1984 | S. 153: 1 Nov 1984 | - |
| | | (see Gazette 1984, | |
| | | No. S383) (b) | |
| Commonwealth Banks Amendment Act 1984 | | | |
| 76, 1984 | 25 June 1984 | 29 June 1984 (see | - |
| | | Gazette 1984, No. S241) | |
| Statute Law (Miscellaneous Provisions) Act (No. 1) 1985 | | | |
| 65, 1985 | 5 June 1985 | S. 3: 3 July 1985 (c) | - |
| Banking Legislation Amendment Act 1986 | | | |
| 166, 1986 | 18 Dec 1986 | Ss. 3-8 and 12: | - |
| | | 18 Dec 1986 | |
| | | Ss. 9-11 and Part III | |
| | | (ss. 13-17): 30 Nov 1988 | |

(see Gazette 1988,

No. S362)

Remainder: 15 Jan 1987

Government Business Enterprises (Miscellaneous Reforms) Act 1988

123, 1988 14 Dec 1988 Part II (ss. 3-12): -

26 Jan 1989

Part VI (ss. 26-31):

1 Jan 1989 (see Gazette

1988, No. S399)

Part VII (ss. 32-37):

14 Nov 1988

Remainder: Royal Assent

Banking Legislation Amendment Act 1989

129, 1989 7 Nov 1989 Part I (ss. 1, 2) and S. 51

ss. 3, 26, 29-33, 35,

38 and 40:

Royal Assent

S. 23 (1): 4 May 1989

S. 39: 23 Jan 1988

Remainder: 28 Dec 1989

(see Gazette 1989,

No. S383)

Commonwealth Banks Restructuring Act 1990

118, 1990 28 Dec 1990 S. 62: 17 Apr 1991 -

(see Gazette 1991,

No. S72) (d)

Banking Legislation Amendment Act 1992

193, 1992 21 Dec 1992 Ss. 2 (6) and 22-34: Ss. 2 (6)

and

Royal Assent (e) < 35

S. 35: 5 Feb 1993 (see

Gazette 1993, No. GN4)

(e)

Banking (State Bank of South Australia and Other Matters) Act 1994

69, 1994 9 June 1994 Ss. 69-74: Royal Assent Ss. 69, 73

(f) and 74

Commonwealth Bank Sale Act 1995

161, 1995 16 Dec 1995 Ss. 3 and 20:

Royal Assent (g)

Schedule (items 57, 58):

(see (g) and Note 2) < Ss. 3 and 20

(a) The Crimes (Currency) Act 1981 was amended by section 3 only of the Statute Law (Miscellaneous Provisions) Act (No. 2) 1985, subsections 2 (1) and (7) of which provide as follows:

"(1) Subject to this section, this Act shall come into operation on the day on which it receives the Royal Assent.

"(7) The amendments of the Crimes (Currency) Act 1981 made by this Act (other than the amendment of section 2 of that Act) shall come into operation immediately after the amendment of section 2 of that Act made by this Act comes into operation."

(b) The Reserve Bank Act 1959 was amended by section 153 only of the Public Service Reform Act 1984, subsection 2 (4) of which provides as follows:

"(4) The remaining provisions of this Act shall come into operation on such day as is, or on such respective days as are, fixed by Proclamation."

(c) The Reserve Bank Act 1959 was amended by section 3 only of the Statute Law (Miscellaneous Provisions) Act (No. 1) 1985, subsection 2 (1) of which

provides as follows:

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

(d) The Reserve Bank Act 1959 was amended by section 62 only of the Commonwealth Banks Restructuring Act 1990, subsection 2 (3) of which provides as follows:

"(3) Each of the remaining provisions of this Act commences on a day, or at a time, fixed by Proclamation in relation to the provision concerned."

(e) The Reserve Bank Act 1959 was amended by sections 22-35 only of the Banking Legislation Amendment Act 1992, subsections 2 (1) and (2) of which provide as follows:

"(1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.

"(2) Subsections 4 (2) and 5 (1) and sections 16, 17 and 35 commence on a day to be fixed by Proclamation, being a day not earlier than the day on which the State Act commences."

(f) The Reserve Bank Act 1959 was amended by sections 69-74 only of the Banking (State Bank of South Australia and Other Matters) Act 1994, subsection 2 (1) of which provides as follows:

"(1) Subject to this section, this Act commences on the day on which it receives the Royal Assent."

(g) The Reserve Bank Act 1959 was amended by the Commonwealth Bank Sale Act 1995, subsections 2 (1) and (2) of which provides as follows:

"(1) Subject to this section, this Act commences on the day on which it receives the Royal Assent.

"(2) Part 3, and all the items of the Schedule (except items 1, 12, 16, 17, 21, 22, 23, 26, 27, 31, 37, and 48), commence at the transfer time." (See Note 2)

Table of Amendments

ad=added or inserted am=amended rep=repealed rs=repealed and substituted

| Provision affected | How affected |
|--------------------|---|
| S. 3 | rep. No. 118, 1973 |
| S. 4 | am. No. 166, 1986 |
| S. 5 | am. No. 118, 1973; No. 76, 1984; No. 118, 1990; No. 193, 1992 |
| S. 6 | rs. No. 118, 1973 |
| S. 6A | ad. No. 118, 1973 am. No. 166, 1986 |
| S. 7 | am. No. 118, 1973; No. 76, 1984; No. 166, 1986 |
| S. 11 | am. No. 118, 1973; No. 166, 1986 |
| S. 12 | am. No. 118, 1973; No. 166, 1986; No. 193, 1992 |
| S. 14 | am. No. 118, 1973; No. 166, 1986; No. 193, 1992 |
| S. 15 | rs. No. 166, 1986 am. No. 193, 1992 |
| S. 16 | am. No. 166, 1986 |
| S. 17 | am. No. 118, 1973; No. 76, 1984; No. 166, 1986 rs. No. 118, 1990 |
| S. 18 | am. No. 118, 1973; No. 166, 1986; No. 69, 1994 |
| S. 18A | ad. No. 69, 1994 |
| S. 20 | am. No. 166, 1986; No. 193, 1992 |
| S. 21 | am. No. 166, 1986; No. 123, 1988 |

| | |
|-----------------------------|--|
| S. 21A | ad. No. 123, 1988 am. No. 193, 1992 |
| S. 22 | rs. No. 65, 1985 |
| S. 23 | am. No. 166, 1986 |
| S. 24 | am. No. 166, 1986; No. 193, 1992 |
| S. 24A | ad. No. 166, 1986 rs. No. 123, 1988 am. No. 193, 1992 |
| S. 25 | am. No. 166, 1986; No. 193, 1992 |
| S. 28 | am. No. 76, 1984; No. 166, 1986 |
| S. 29 | am. No. 166, 1986 |
| S. 30 | am. No. 129, 1989 |
| Heading to Div. 1 of Part V | rep. No. 122, 1981 |
| S. 32 | am. No. 96, 1965; No. 118, 1973; No. 155, 1979; No. 70, 1980; No. 122, 1981; No. 166, 1986 |
| S. 33 | rep. No. 129, 1989 |
| S. 34 | am. No. 129, 1989 |
| S. 35 | rs. No. 96, 1965 |
| S. 36 | am. No. 96, 1965; No. 166, 1986 |
| S. 37 | am. No. 193, 1992 |
| S. 38 | rep. No. 129, 1989 |
| S. 39 | am. No. 118, 1973; No. 166, 1986 rep. No. 129, 1989 |
| S. 40 | rep. No. 129, 1989 |
| S. 41 | am. No. 96, 1965; No. 166, 1986 rep. No. 129, 1989 |
| S. 42 | am. No. 93, 1966; No. 166, 1986 |

| | |
|------------------------------|----------------------------------|
| | rep. No. 129, 1989 |
| S. 44 | am. No. 93, 1966; No. 166, 1986 |
| Div. 2 of Part V (ss. 46-55) | rep. No. 122, 1981 |
| Ss. 46-50 | rep. No. 122, 1981 |
| Ss. 51, 52 | am. No. 93, 1966 |
| | rep. No. 122, 1981 |
| S. 53 | rep. No. 122, 1981 |
| S. 54 | am. No. 118, 1973 |
| | rep. No. 122, 1981 |
| S. 55 | rep. No. 122, 1981 |
| Part VI (ss. 56-65, 65A) | rep. No. 166, 1986 |
| S. 56 | rep. No. 166, 1986 |
| S. 57 | am. No. 118, 1973; No. 166, 1986 |
| | rep. No. 166, 1986 |
| S. 58 | am. No. 76, 1984 |
| | rep. No. 166, 1986 |
| S. 59 | am. No. 118, 1973; No. 166, 1986 |
| | rep. No. 166, 1986 |
| S. 60 | am. No. 93, 1966; No. 166, 1986 |
| | rep. No. 166, 1986 |
| S. 61 | rep. No. 166, 1986 |
| S. 62 | am. No. 166, 1986 |
| | rep. No. 166, 1986 |
| Ss. 63-65 | rep. No. 166, 1986 |
| S. 65A | ad. No. 166, 1986 |
| | rep. No. 166, 1986 |
| S. 68 | am. No. 63, 1984; No. 166, 1986 |
| S. 70 | am. No. 36, 1978 |

| | |
|-----------------|---|
| S. 71 | am. No. 93, 1966; No. 166, 1986 |
| S. 72 | am. No. 76, 1984; No. 166, 1986 |
| | rep. No. 123, 1988 |
| S. 74 | am. No. 118, 1990 |
| Ss. 76, 77 | am. No. 166, 1986 |
| S. 78 | am. No. 166, 1986; No. 129, 1989 |
| S. 79 | am. No. 118, 1973 |
| S. 80 | am. No. 166, 1986; No. 193, 1992 |
| S. 81 | am. No. 118, 1973; No. 166, 1986; No. 129, 1989 |
| S. 81A | ad. No. 123, 1988 |
| | am. No. 193, 1992 |
| S. 86 | am. No. 118, 1973 |
| S. 88 | am. No. 216, 1973 |
| | rep. No. 65, 1985 |
| S. 89 | am. No. 93, 1966; No. 166, 1986 |
| First Schedule | rep. No. 76, 1984 |
| Second Schedule | rep. No. 166, 1986 |

RESERVE BANK ACT 1959 - TABLE OF PROVISIONS

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RESERVE BANK ACT 1959 - LONG TITLE

SECT

An Act relating to the Reserve Bank of Australia, and for other purposes

RESERVE BANK ACT 1959 - PART I

PART I - PRELIMINARY

RESERVE BANK ACT 1959 - SECT 1

Short title

SECT

1. This Act may be cited as the Reserve Bank Act 1959.*1*
SEE NOTES TO FIRST ARTICLE OF THIS CHAPTER .

RESERVE BANK ACT 1959 - SECT 2

Commencement

SECT

2. This Act shall come into operation on a date to be fixed by
Proclamation.*1*
SEE NOTES TO FIRST ARTICLE OF THIS CHAPTER .

RESERVE BANK ACT 1959 - SECT 4

Repeal and saving

SECT

4. (1) The following Acts are repealed:

Commonwealth Bank Act 1945;
Commonwealth Bank Act 1948;
Commonwealth Bank Act 1951;
Commonwealth Bank Act 1953.

(2) Subsection (1) does not affect the operation of any amendment of an Act made by an Act referred to in that subsection or any provision for the citation of an Act as so amended.

RESERVE BANK ACT 1959 – SECT 5 **Interpretation**

SECT

5.*2* (1) In this Act, unless the contrary intention appears:

"Australia" includes the Territories;

"bank" means a person carrying on the business of banking, and includes the Commonwealth Bank of Australia, the Commonwealth Savings Bank of Australia and the Commonwealth Development Bank of Australia;

"Deputy Governor" means a Deputy Governor of the Bank;

"officer" or "officer of the Bank" means an officer of the Reserve Bank Service;

"repealed Act" means an Act repealed by this Act or by the Commonwealth Bank Act 1945;

"statutory office" means the office of Governor or Deputy Governor;

"the Bank" or "the Reserve Bank" means the Reserve Bank of Australia;

"the Board" means the Reserve Bank Board established by this Act;

"the former Commonwealth Bank of Australia" means the Commonwealth Bank of Australia established under the Commonwealth Bank Act 1911 and continued in existence under the Commonwealth Bank Act 1945;

"the Governor" means the Governor of the Bank.

(2) In this Act, a reference to the policy of the Reserve Bank, or to the monetary and banking policy of the Reserve Bank, includes a reference to the policy of the Reserve Bank, or to the monetary and banking policy of the Reserve Bank, as the case may be, in the performance of its functions under the Banking Act 1959 or under any other Act.

2 The Reserve Bank Act 1959 was amended by the Commonwealth Bank Sale Act 1995. The applicable provisions provide as follows:

57. Section 5 (definition of bank):

Omit ", and includes the Commonwealth Bank of Australia, the Commonwealth Savings Bank of Australia and the Commonwealth Development Bank of Australia".

58. Subsection 17 (2):

Omit the subsection.

Subsection 2 (2) of the Commonwealth Bank Sale Act 1995 provides as follows:

"(2) Part 3, and all the items of the Schedule (except items 1, 12, 16, 17, 21, 22, 23, 26, 27, 31, 37 and 48), commence at the transfer time."

As at 1 April 1996 no date had been fixed and the amendments are not incorporated in this reprint.

RESERVE BANK ACT 1959 - SECT 6

Application to Territories

SECT

6. Subject to section 6A, this Act extends to all the Territories.

RESERVE BANK ACT 1959 - SECT 6A

Cessation of application to Territory

SECT

6A. (1) The Treasurer may, by notice published in the Gazette, declare that, on a date specified in the notice, this Act shall cease to extend to an external Territory specified in the notice, and, on and after the date specified in such a notice, this Act, other than subsection (2) of this section, does not extend to the Territory so specified and a reference in this Act, other than this section, to a Territory does not include a reference to

the Territory so specified.

(2) Section 8 of the Acts Interpretation Act 1901 applies in relation to a notice published under this section as if the notice were an Act repealing this Act to the extent that, immediately before the date specified in the notice, this Act extended to the Territory specified in the notice.

RESERVE BANK ACT 1959 - PART II

PART II - CONSTITUTION, POLICY AND MANAGEMENT OF THE RESERVE BANK

RESERVE BANK ACT 1959 - SECT 7

The Reserve Bank of Australia

SECT

7. (1) Notwithstanding the repeal effected by subsection 4 (1), the body corporate established under the Commonwealth Bank Act 1911 and continued in existence under the Commonwealth Bank Act 1945, under the name Commonwealth Bank of Australia:

(a) is preserved and continues in existence as a body corporate under and subject to the provisions of this Act, under the name Reserve Bank of Australia, but so that the corporate identity of the body corporate shall not be affected;

(b) shall have a seal; and

(c) is capable of acquiring, holding and disposing of real and personal property and of suing and being sued.

RESERVE BANK ACT 1959 - SECT 8

General powers

SECT

8. The Bank has such powers as are necessary for the purposes of this Act and, in particular, and in addition to any other powers conferred on it by this Act, has power:

(a) to receive money on deposit;

(b) to borrow money;

- (c) to lend money;
- (d) to buy, sell, discount and re-discount bills of exchange, promissory notes and treasury bills;
- (e) to buy and sell securities issued by the Commonwealth and other securities;
- (f) to buy, sell and otherwise deal in foreign currency, specie, gold and other precious metals;
- (g) to establish credits and give guarantees;
- (h) to issue bills and drafts and effect transfers of money;
- (i) to underwrite loans; and
- (j) to do anything incidental to any of its powers.

RESERVE BANK ACT 1959 – SECT 9

Establishment of Reserve Bank Board

SECT

9. There shall be a Reserve Bank Board, which shall be constituted as provided by Part III.

RESERVE BANK ACT 1959 – SECT 10

Functions of Reserve Bank Board

SECT

10. (1) Subject to this Part, the Board has power to determine the policy of the Bank in relation to any matter and to take such action as is necessary to ensure that effect is given by the Bank to the policy so determined.

(2) It is the duty of the Board, within the limits of its powers, to ensure that the monetary and banking policy of the Bank is directed to the greatest advantage of the people of Australia and that the powers of the Bank under this Act, the Banking Act 1959 and the regulations under that Act are exercised in such a manner as, in the opinion of the Board, will best contribute to:

- (a) the stability of the currency of Australia;
- (b) the maintenance of full employment in Australia; and

(c) the economic prosperity and welfare of the people of Australia.

RESERVE BANK ACT 1959 – SECT 11

Differences of opinion on questions of policy

SECT

11. (1) The Board shall, from time to time, inform the Government of the monetary and banking policy of the Bank.

(2) In the event of a difference of opinion between the Government and the Board whether that policy is directed to the greatest advantage of the people of Australia, the Treasurer and the Board shall endeavour to reach agreement.

(3) If the Treasurer and the Board are unable to reach agreement, the Board shall forthwith furnish to the Treasurer a statement in relation to the matter in respect of which the difference of opinion has arisen.

(4) The Treasurer may then submit a recommendation to the Governor-General, and the Governor-General, acting with the advice of the Federal Executive Council, may, by order, determine the policy to be adopted by the Bank.

(5) The Treasurer shall inform the Board of the policy so determined and shall, at the same time, inform the Board that the Government accepts responsibility for the adoption by the Bank of that policy and will take such action (if any) within its powers as the Government considers to be necessary by reason of the adoption of that policy.

(6) The Board shall thereupon ensure that effect is given to the policy determined by the order and shall, if the order so requires, continue to

ensure that effect is given to that policy while the order remains in operation.

(7) The Treasurer shall cause to be laid before each House of the Parliament, within 15 sitting days of that House after the Treasurer has informed the Board of the policy determined under subsection (4):

(a) a copy of the order determining the policy;

(b) a statement by the Government in relation to the matter in respect of which the difference of opinion arose; and

(c) a copy of the statement furnished to the Treasurer by the Board under subsection (3).

RESERVE BANK ACT 1959 – SECT 12

Management of the Bank

SECT

12. (1) There shall be a Governor of the Bank and 2 Deputy Governors of the Bank, who shall be appointed and hold office as provided by Part III.

(2) Subject to subsection 10 (1), the Bank shall be managed by the Governor.

(3) A Deputy Governor shall perform such duties as the Governor directs and, in the event of a vacancy in the office of Governor, the Deputy Governor designated by the Treasurer shall perform the duties of the Governor and shall have and may exercise the powers and functions of the Governor.

RESERVE BANK ACT 1959 – SECT 13

Governor and Secretary to Treasury to establish liaison

SECT

13. The Governor and the Secretary to the Department of the Treasury shall establish a close liaison with each other and shall keep each other fully informed on all matters which jointly concern the Bank and the Department of the Treasury.

RESERVE BANK ACT 1959 - PART III

PART III - THE RESERVE BANK BOARD AND THE GOVERNOR AND DEPUTY GOVERNOR OF THE BANK

RESERVE BANK ACT 1959 - SECT 14

Membership of Board

SECT

14. (1) The Reserve Bank Board shall consist of:

- (a) the Governor;
- (b) the Deputy Governors;
- (c) the Secretary to the Department of the Treasury; and
- (d) 7 other members, who shall be appointed by the Governor-General in accordance with this section.

(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.

(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 subsection (5), be appointed for a period of 5 years but is eligible for re-appointment; and

(b) holds office subject to good behaviour.

(5) In the event of a member of the Board appointed under this section for a specified period ceasing to hold office before the expiration of that period and the appointment in his place of a person other than an officer of the Bank or of the Australian Public Service, the period of that appointment shall be the remainder of the period of office of the member so ceasing to hold office.

RESERVE BANK ACT 1959 – SECT 15

Remuneration of members

SECT

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 a Deputy Governor.

RESERVE BANK ACT 1959 – SECT 16

Declaration by members

SECT

16. A member of the Board shall, before entering upon his or her duties or exercising any power under this Act, make, before a Justice of the Peace or a Commissioner for taking Affidavits, an oath or affirmation of allegiance in accordance with the form in the Schedule to the Constitution and a declaration of secrecy in accordance with the prescribed form.

RESERVE BANK ACT 1959 – SECT 17

Disqualifications from membership

SECT

17.*2* (1) Subject to subsection (2), a person who is a director, officer or employee of a corporation (other than the Reserve Bank) the business of which is wholly or mainly that of banking is not capable of appointment, or of continuing to act, as a member of the Board.

(2) Subsection (1) does not apply to a person who is a director of the Commonwealth Bank because of paragraph 8A (2) (a) of the Commonwealth Banks Act 1959.

2 The Reserve Bank Act 1959 was amended by the Commonwealth Bank Sale Act 1995. The applicable provisions provide as follows:

57. Section 5 (definition of bank):

Omit ", and includes the Commonwealth Bank of Australia, the Commonwealth Savings Bank of Australia and the Commonwealth Development Bank of Australia".

58. Subsection 17 (2):

Omit the subsection.

Subsection 2 (2) of the Commonwealth Bank Sale Act 1995 provides as follows:

"(2) Part 3, and all the items of the Schedule (except items 1, 12, 16, 17, 21, 22, 23, 26, 27, 31, 37 and 48), commence at the transfer time."

As at 1 April 1996 no date had been fixed and the amendments are not incorporated in this reprint.

RESERVE BANK ACT 1959 – SECT 18

Termination of appointment

SECT

18. (1) If a member of the Board appointed under paragraph 14 (1) (d):

- (a) becomes permanently incapable of performing his or her duties;
- (b) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his or her creditors or makes an assignment of his or her remuneration for their benefit;
- (c) resigns his or her office by writing under his or her hand addressed to the Governor-General;
- (d) is absent, except on leave granted by the Board in accordance with section 18A, from all meetings of the Board held during 2 consecutive months or during any 3 months in any period of 12 months; or
- (e) fails to comply with his or her obligations under subsection 18A (3) or section 23;

the Governor-General shall terminate his appointment.

(2) In this section, "month" means any of the 12 months of the year.

RESERVE BANK ACT 1959 - SECT 18A

Leave of absence

SECT

18A. (1) This section applies to a member appointed under paragraph 14 (1) (d).

(2) The Board may grant to a member leave of absence from a meeting of the Board.

(3) A member must not take part in a decision of the Board granting, or refusing to grant, leave to the member.

RESERVE BANK ACT 1959 - SECT 19

Vacancies not to invalidate proceedings

SECT

19. The exercise of the rights, powers, authorities or functions, or the performance of the duties or obligations, of the Board is not affected by reason only of there being a vacancy in the office of a member.

RESERVE BANK ACT 1959 – SECT 20

Chairperson and Deputy Chairperson

SECT

20. (1) The Governor shall be the Chairperson of the Board and the Deputy Governor designated by the Governor shall be the Deputy Chairperson of the Board.

(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.

RESERVE BANK ACT 1959 – SECT 21

Meetings of Board

SECT

21. (1) The Board shall meet at such times and places as the Board determines or as the Chairperson or the Deputy Chairperson directs.

(2) Subject to section 21A, the Chairperson shall preside at all meetings of the Board at which he or she is present and, in the absence of the Chairperson, the Deputy Chairperson shall preside.

(3) 6 members form a quorum at a meeting of the Board.

(4) Questions arising at a meeting of the Board shall be decided by a majority of the votes of the members present and voting.

(5) The member presiding at a meeting of the Board shall have a deliberative vote and, in the event of an equality of votes, shall also have a casting vote.

RESERVE BANK ACT 1959 – SECT 21A
Exclusion of Governor and Deputy Governor from certain deliberations

SECT

21A. (1) The Governor and the Deputy Governors shall not be present during any deliberation of the Board, or take part in any decision of the Board, in relation to the determination or application of any terms or conditions on which the Governor or a Deputy Governor holds office.

(2) Where the Governor and the Deputy Governors are required by subsection (1) not to be present during deliberations of the Board, the members present shall appoint one of their number to preside.

RESERVE BANK ACT 1959 – SECT 22
Deputy Secretary may attend meetings of Board

SECT

22. A Deputy Secretary in the Department nominated in writing for the purpose by the Secretary to the Department may attend a meeting of the Board at which the Secretary is not present and, where the Deputy Secretary attends a meeting pursuant to this section, the Deputy Secretary shall, for the purposes of this Part, be deemed to be a member of the Board.

RESERVE BANK ACT 1959 – SECT 23
Disclosure of interest in contracts

SECT

23. (1) A member of the Board who is directly or indirectly interested in a contract made, or proposed to be made, by the Bank, otherwise than as a member, and in common with other members, of an incorporated company consisting of not less than 25 persons, shall disclose the nature of the member's interest at the first meeting of the Board at which the member is present after the relevant facts have come to the knowledge of the member.

(2) A disclosure under subsection (1) shall be recorded in the minutes of the Board and, after the disclosure, the member of the Board:

(a) shall not take part in any deliberation or decision of the Board with respect to that contract; and

(b) shall be disregarded for the purpose of constituting a quorum of the Board for any such deliberation or decision.

RESERVE BANK ACT 1959 – SECT 24
Governor and Deputy Governor

SECT

24. (1) The Governor and the Deputy Governors:
(a) shall be appointed by the Governor-General;
(b) shall be appointed for such period, not exceeding 7 years, as the Governor-General determines but are eligible for re-appointment; and
(c) hold office subject to good behaviour.

RESERVE BANK ACT 1959 – SECT 24A
Terms and conditions of employment not provided for by Act

SECT

24A. The Governor and the Deputy Governors hold office on such terms and conditions (including terms and conditions relating to remuneration and allowances) in relation to matters not provided for by this Act as are determined by the Board.

RESERVE BANK ACT 1959 - SECT 25

Vacation of Office

SECT

25. If the Governor or a Deputy Governor:

- (a) becomes permanently incapable of performing his or her duties;
 - (b) engages in any paid employment outside the duties of his or her office;
 - (c) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his or her creditors or makes an assignment of his or her salary for their benefit; or
 - (d) resigns his office by writing under his hand addressed to the Governor-General;
- the Governor-General shall terminate his appointment.

RESERVE BANK ACT 1959 - PART IV

PART IV - CENTRAL BANKING

RESERVE BANK ACT 1959 - SECT 26

Reserve Bank to act as a central bank

SECT

26. The Reserve Bank:

- (a) is the central bank of Australia;
- (b) shall carry on business as a central bank; and
- (c) subject to this Act and to the Banking Act 1959 shall not carry on business otherwise than as a central bank.

RESERVE BANK ACT 1959 - SECT 27

Bank to be banker for Commonwealth

SECT

27. The Bank shall, in so far as the Commonwealth requires it to do so, act as banker and financial agent of the Commonwealth.

RESERVE BANK ACT 1959 - SECT 28

Capital

SECT

28. The capital of the Bank for the purposes of this Part shall be the aggregate of:

(a) the capital of the former Commonwealth Bank of Australia for the purposes of Part V of the Commonwealth Bank Act 1945 immediately before the commencement of this Act; and

(b) such other sums as are transferred from the Reserve Bank Reserve Fund in pursuance of section 29.

RESERVE BANK ACT 1959 - SECT 29

Reserve Fund

SECT

29. (1) The Bank shall have a reserve fund (to be called the Reserve Bank Reserve Fund), which shall consist of:

(a) the amount standing to the credit of the Commonwealth Bank Reserve Fund existing under the Commonwealth Bank Act 1945 immediately before the commencement of this Act; and

(b) such other sums as are placed to its credit in pursuance of section 30.

(2) The Board may, from time to time, transfer from the Reserve Bank Reserve Fund to the capital of the Bank for the purposes of this Part such sums as the Board determines.

RESERVE BANK ACT 1959 - SECT 30

Profits

SECT

30. The net profits of the Bank in each year shall be dealt with as follows:

(a) such amount as the Treasurer, after consultation with the Board, determines shall be placed to the credit of the Reserve Bank Reserve Fund; and

(b) the remainder shall be paid to the Commonwealth.

RESERVE BANK ACT 1959 - SECT 31

Publication of sterling exchange rates

SECT

31. The Bank shall publish, at least weekly, its telegraphic transfer rates of exchange for sterling expressed in terms of Australian money.

RESERVE BANK ACT 1959 - PART V

PART V - THE NOTE ISSUE

RESERVE BANK ACT 1959 - SECT 32

Interpretation

SECT

32. In this Part, unless the contrary intention appears:

"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.

RESERVE BANK ACT 1959 - SECT 34

Issue, re-issue and cancellation of notes

SECT

34. (1) Subject to this Act, the Bank may:

- (a) issue Australian notes;
- (b) re-issue Australian notes; and
- (c) cancel Australian notes.

(2) Australian notes shall be printed by, or under the authority of, the Bank.

RESERVE BANK ACT 1959 – SECT 35

Denominations of notes

SECT

35. Australian notes may be issued in any of the following denominations, namely, One dollar, Two dollars, Five dollars, Ten dollars, Twenty dollars or Fifty dollars or in any other denomination that the Treasurer, by instrument in writing published in the Gazette, determines.

RESERVE BANK ACT 1959 – SECT 36

Notes to be legal tender

SECT

36. (1) Australian notes are a legal tender throughout Australia.

(2) For the purposes of subsection (1), an Australian note of a denomination specified in the first column of the following table has the value in the currency provided for by the Currency Act 1965 that is set out in the second column of that table opposite to the denomination of that note:

TABLE

| First Column | Second Column |
|---------------|----------------|
| Ten shillings | One dollar |
| One pound | Two dollars |
| Five pounds | Ten dollars |
| Ten pounds | Twenty dollars |
| Twenty pounds | Forty dollars |

Fifty pounds

One hundred dollars

One hundred pounds

Two hundred dollars

One thousand pounds

Two thousand dollars

RESERVE BANK ACT 1959 – SECT 37

Signature on notes

SECT

37. (1) The Australian notes issued in pursuance of this Part shall bear the signature of the Secretary to the Department of the Treasury or of such other officer of the Department of the Treasury as the Treasurer directs, and the signature of the Governor or, if the Governor so directs, of the Deputy Governor, or an officer of the bank, specified by the Governor.

(2) The signatures may be made in the handwriting of those persons or may be made by engraving or by any other process determined by the Bank.

RESERVE BANK ACT 1959 – SECT 43

Bank not to issue bank notes

SECT

43. The Bank shall not issue bills or notes (other than Australian notes) intended for circulation as money.

RESERVE BANK ACT 1959 – SECT 44

Other persons not to issue notes

SECT

44. (1) A person shall not issue a bill or note for the payment of money payable to bearer on demand and intended for circulation.
Penalty: \$1,000.

(2) A State shall not issue a bill or note for the payment of money payable to bearer on demand and intended for circulation.

RESERVE BANK ACT 1959 - SECT 45

Reference to Wednesday

SECT

45. The regulations may provide that any reference in this Division to Wednesday shall be read as a reference to such other day as is prescribed.

RESERVE BANK ACT 1959 - PART VII

PART VII - THE RESERVE BANK SERVICE

RESERVE BANK ACT 1959 - SECT 66

Appointment of officers

SECT

66. (1) The Bank may appoint such officers as are necessary for the purposes of this Act.

(2) The officers appointed under this Part shall constitute the Reserve Bank Service.

(3) Subject to this Part and to the regulations, officers hold office on such terms and conditions as the Bank determines.

RESERVE BANK ACT 1959 - SECT 67

Temporary and casual employees

SECT

67. (1) The Bank may appoint such temporary and casual employees as are necessary for the purposes of this Act.

(2) Employees so appointed shall be employed on such terms and conditions as the Bank determines.

RESERVE BANK ACT 1959 - SECT 68 **Requirements for appointment**

SECT

68. (1) A person shall not be appointed under this Act to the Reserve Bank Service unless:

- (a) he or she is an Australian citizen;
- (b) he or she makes and subscribes, before a Justice of the Peace or a Commissioner for taking Affidavits, an oath or affirmation of allegiance in accordance with the form in the Schedule to the Constitution; and
- (c) the Bank is satisfied as to his or her health and physical fitness.

(2) Where, in the opinion of the Bank, it is desirable to do so for the more efficient operation of the Reserve Bank Service or it is otherwise in the public interest to do so, the Bank may, in writing, waive, for a specified period or otherwise, the requirements for appointment referred to in paragraphs (1) (a) and (b) in relation to:

- (a) the appointment of a specified person to any position in the Service;

or

- (b) the appointment of any person to a specified position, or a position included in a specified class of positions, in the Service.

RESERVE BANK ACT 1959 - SECT 69 **Regulations for Reserve Bank Service**

SECT

69. The regulations may make provision in relation to the Reserve Bank Service and, in particular, may prescribe the terms and conditions of employment of officers.

RESERVE BANK ACT 1959 – SECT 70 **Superannuation fund**

SECT

70. (1) There shall be a superannuation fund of the Bank.

(2) The Bank may, with the approval of the Minister for Finance, make rules, not inconsistent with this Act or the regulations, for or in relation to the superannuation fund.

RESERVE BANK ACT 1959 – SECT 71 **Borrowing by officers**

SECT

71. (1) Subject to this section, the Bank shall not lend money to an officer.

(2) The Bank may lend money to an officer:

- (a) for the purchase, erection, alteration, renovation or enlargement of a home in which he or she resides or intends to reside; or
- (b) to discharge a mortgage, charge or encumbrance on such a home.

(3) The Bank may, where the Governor is satisfied that special circumstances exist, lend to an officer, upon such terms and conditions as the Governor

thinks fit, money not exceeding at any one time \$1,000.

RESERVE BANK ACT 1959 - SECT 73

List of officers

SECT

73. (1) The Bank shall, from time to time and whenever the Treasurer so directs, prepare a list of all officers, together with such particulars as the Treasurer requires, and shall circulate copies of the list among the officers.

(2) The Bank shall forward a copy of the list to the Treasurer for presentation to the Parliament.

RESERVE BANK ACT 1959 - PART VIII

PART VIII - MISCELLANEOUS

RESERVE BANK ACT 1959 - SECT 74

Head office

SECT

74. (1) The head office of the Bank shall be at Sydney in the State of New South Wales.

(2) After the expiration of a reasonable time after the commencement of this Act, the head office of the Bank shall not be in the same building as the head office of any other bank.

RESERVE BANK ACT 1959 - SECT 75

Agents etc.

SECT

75. In the exercise of its powers and the performance of its functions, the Bank may:

(a) establish branches and agencies at such places, whether within or beyond Australia, as the Bank thinks fit;

(b) arrange with a person to act as agent of the Bank in any place, whether within or beyond Australia; and

(c) act as the agent of a bank carrying on business within or beyond Australia.

RESERVE BANK ACT 1959 – SECT 76 **Attorney of Bank**

SECT

76. The Bank may, by instrument under its seal, appoint a person (whether in Australia or in a place beyond Australia) to be its attorney and a person so appointed may, subject to the instrument, do any act or execute any power or function which he or she is authorized by the instrument to do or execute.

RESERVE BANK ACT 1959 – SECT 77 **Guarantee by Commonwealth**

SECT

77. The Commonwealth is responsible for the payment of all moneys due by the Bank but nothing in this section authorizes a creditor or other person claiming against the Bank to sue the Commonwealth in respect of his or her claim.

RESERVE BANK ACT 1959 – SECT 78 **Determination of net profits**

SECT

78. In determining the net profits of the Reserve Bank, for the purposes of this Act, any amounts written off bank premises or provided for contingencies are subject to the approval of the Treasurer.

RESERVE BANK ACT 1959 - SECT 79

Taxation

SECT

79. The Bank is not liable to taxation under any law of a State or of a Territory to which the Commonwealth is not subject and the income of the Bank is not liable to income tax under a law of the Commonwealth.

RESERVE BANK ACT 1959 - SECT 80

Audit

SECT

80. (1) The Auditor-General shall inspect and audit the accounts and records of financial transactions of the Bank, and shall forthwith draw the Treasurer's attention to any irregularity revealed by the inspection and audit that, in the opinion of the Auditor-General, is of sufficient importance to justify his or her so doing.

(2) The Auditor-General shall, at least once in each year, report to the Treasurer the results of the inspection and audit carried out under subsection (1).

(3) The Auditor-General or an officer authorized by the Auditor-General is entitled at all reasonable times to full and free access to all accounts, records, documents and papers of the Bank relating directly or indirectly to the receipt or payment of moneys by the Bank or to the acquisition, receipt, custody or disposal of property of the Bank.

(4) The Auditor-General or an officer authorized by the Auditor-General may make copies of or take extracts from any such accounts, records, documents or

papers.

(5) The Auditor-General or an officer authorized by the Auditor-General may require a prescribed person to furnish the Auditor-General or the officer, as the case may be, with such information in the possession of the prescribed person or to which the prescribed person has access as the Auditor-General or authorized officer considers necessary for the purposes of an inspection or audit under this Act, and the prescribed person shall comply with the requirement.

(6) In this section, "prescribed person" means the Governor, a Deputy Governor or other member of the Board, or an officer.

RESERVE BANK ACT 1959 - SECT 81

Annual reports and financial statements

SECT

81. (1) The Board shall, as soon as practicable after each 30 June, prepare:

(a) a report on the operations of the Bank during the year ending on that day; and

(aa) a report on any investigations on prudential matters pursuant to section 61 of the Banking Act 1959, including details of persons appointed to investigate and report on such matters;

(b) financial statements, in accordance with the prescribed forms, in respect of that year; and furnish that report and those statements, together with a report of the Auditor-General upon those statements, to the Treasurer.

(1A) Nothing in this section authorises the Board to furnish a report under paragraph (1) (aa) with respect to the affairs of an individual bank or the affairs of an individual customer of a bank.

(2) The Auditor-General, in his or her report upon the financial statements

prepared in pursuance of subsection (1):

(a) shall report whether the statements are in agreement with the accounts and records of the Bank and show fairly the financial operations and the state of the affairs of the Bank; and

(b) shall report on such other matters arising out of the statements as the Auditor-General considers should be made known to the Parliament.

(3) The Board shall transmit true copies of each report and financial statement prepared in pursuance of subsection (1), and of the report of the Auditor-General upon each such statement, to the President of the Senate and to the Speaker of the House of Representatives to be laid before the Senate and the House of Representatives respectively.

RESERVE BANK ACT 1959 – SECT 81A

Information relating to remuneration of Governor and Deputy Governors

SECT

81A. (1) The financial statements of the Bank shall comply with the requirements prescribed under the Companies Act 1981 for the accounts of a listed corporation so far as those requirements relate to the income of executive officers of a listed corporation.

(2) For the purposes of subsection (1):

(a) the Bank shall be taken to be a listed corporation; and

(b) the Governor and Deputy Governors shall be taken to be executive officers of the Bank.

(3) Expressions used in this section that are also used in the Companies Act 1981 have the same respective meanings as they have in that Act.

RESERVE BANK ACT 1959 - SECT 82

Returns

SECT

82. The Bank shall furnish to the Treasurer such periodical statements as are prescribed.

RESERVE BANK ACT 1959 - SECT 83

Power to improve property and carry on business

SECT

83. Where the Bank holds any property (whether real or personal) or business as security for a loan or advance, and the property or business falls into the hands of the Bank, the Bank may maintain, repair or improve the property, or carry on the business, until the Bank can, in its discretion, dispose of the property or business in the best interests of the Bank.

RESERVE BANK ACT 1959 - SECT 84

Execution of contracts

SECT

84. (1) Contracts on behalf of the Bank may be made, varied or discharged in accordance with the succeeding provisions of this section, and all contracts so made are effectual in law, and are binding upon the Bank and on all other parties to the contract, their heirs, assigns, executors or administrators, as the case may be.

(2) A contract which, if made between private persons, would be by law required to be in writing under seal may be made, varied or discharged in the name and on behalf of the Bank in writing under the seal of the Bank.

(3) A contract which, if made between private persons, would be by law

required to be in writing and signed by the parties to be charged therewith may be made, varied or discharged in the name and on behalf of the Bank in writing signed by any person acting with the express or implied authority of the Bank.

(4) A contract which, if made between private persons, would by law be valid although made by parol only and not reduced into writing, may be made, varied or discharged by parol in the name and on behalf of the Bank by a person acting with the express or implied authority of the Bank.

(5) Nothing in this section invalidates a contract executed on behalf of the Bank by a duly appointed attorney of the Bank if the contract would be valid if executed by the attorney on his own behalf.

RESERVE BANK ACT 1959 – SECT 85

Judicial notice of seals

SECT

85. All courts, judges and persons acting judicially shall take judicial notice of the seal of the Bank affixed to a document and shall presume that it was duly affixed.

RESERVE BANK ACT 1959 – SECT 86

Priority of debts due by other banks

SECT

86. Notwithstanding anything contained in any law relating to the winding-up of companies, but subject to section 16 of the Banking Act 1959, debts due to the Bank by a bank specified in the First Schedule to that Act shall, in the winding-up, have priority over all other debts other than debts due to the Commonwealth.

RESERVE BANK ACT 1959 - SECT 87

Validity of acts and transactions of Bank

SECT

87. The validity of an act or transaction of the Bank shall not be called in question in any legal proceedings on the ground that any provision of this Act has not been complied with.

RESERVE BANK ACT 1959 - SECT 89

Regulations

SECT

89. The Governor-General may make regulations, not inconsistent with this Act, prescribing all matters which by this Act are required or permitted to be prescribed, or which are necessary or convenient to be prescribed for carrying out or giving effect to this Act or for the conduct of business by the Bank and, in particular, prescribing penalties not exceeding \$100 for offences against the regulations.