

1990

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

SENATE

COMMONWEALTH BANKS RESTRUCTURING BILL 1990

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments and New Clauses to be Moved
on Behalf of the Government

(Circulated by Authority of the Treasurer,
the Hon Paul Keating, MP)



OUTLINE

The purposes of the amendments are:

- . to ensure that there continues to be sufficient authorisation of actions by or on behalf of the Commonwealth Bank Officers Superannuation Corporation (the Corporation), through amendments (1), (7), (8) and (9);
- . to make the appointment of the Secretary to the Treasury to the Board of the Commonwealth Bank automatic rather than at the option of the Treasurer, through amendments (2) and (3);
- . to repeal redundant sections of the Commonwealth Banks Act 1959 (the Principal Act) applying to the Savings Bank, through amendment (4);
- . to retain in the Principal Act section 87A, concerning the merit principle and prohibition of patronage, through amendment (5); and
- . to correct a typographical error, through amendment (6).

FINANCIAL IMPACT

None

NOTES ON CLAUSES**Amendment (1)**

Adds a subsection providing for the Corporation to be managed in the manner specified in the rules of the superannuation fund made under proposed section 110, or else by the Managing Director.

Amendment (2)

Makes the appointment of the Secretary to the Treasury to the Board of the Commonwealth Bank automatic, rather than (as in the Bill as introduced) at the option of the Treasurer.

Amendment (3)

Consequential on amendment (2).

Amendment (4)

Repeals redundant sections of the Principal Act referring to the Savings Bank, concerning:

- . paying to the Commonwealth Bank a share of the expenses of the Corporation (section 48),
- . paying the Commonwealth Bank and the Development Bank for services rendered (section 49), and
- . obtaining approval for mergers with other banks (section 50).

Amendment (5)

Retains, instead of repealing, section 87A of the Principal Act, which is a requirement for selection by merit and avoidance of patronage and favouritism in all appointments of officers.

Amendment (6)

Corrects a typographical error.

Amendment (7)

Has the effect that section 116 of the Principal Act, authorising the appointment of attorneys, will continue to apply to the Corporation as well as to the Savings Bank and Development Bank.

Amendment (8)

Has the effect that section 124 of the Principal Act, authorising the execution of contracts, will continue to apply to the Corporation as well as to the Savings Bank and Development Bank.

Amendment (9)

Has the effect that section 124A of the Principal Act, concerning the affixing of seals, will continue to apply to the Corporation as well as to the Savings Bank and Development Bank.

