

1994-95

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

BANKING (QUEENSLAND INDUSTRY DEVELOPMENT CORPORATION)

AMENDMENT BILL 1995

EXPLANATORY MEMORANDUM

(Circulated by the authority of the Treasurer,
the Hon Ralph Willis, MP)

BANKING (QUEENSLAND INDUSTRY DEVELOPMENT CORPORATION) AMENDMENT BILL 199**OUTLINE**

The Queensland Government is seeking to enhance the accountability of the Queensland Industry Development Corporation (QIDC) by enabling it to be brought under the prudential supervision of the Reserve Bank (RBA).

This Bill facilitates this decision by listing QIDC under the definition of a bank in section 5 of the Banking Act 1959. This listing will establish a legislative basis for RBA supervision of QIDC. The Bill includes provisions complementary to Queensland legislation under which the Queensland Government transferred its constitutional banking power (as it relates to QIDC) to the Commonwealth Government.

The purpose of this measure is to ensure that QIDC follows the requirements of and is subject to the supervision of the RBA in relation to prudential matters.

FINANCIAL IMPACT

No financial implications.

Clause 1 - Short Title

Provides for the Act to be called the Banking (Queensland Industry Development Corporation) Amendment Act 1995.

Clause 2 - Commencement

The provisions of this legislation will commence upon receipt of Royal Assent.

Clause 3 - Schedule

This clause is self explanatory.

SCHEDULE - AMENDMENT TO THE BANKING ACT 1959Item 1 - Proposed amendment to subsection 5(1)

This item amends the definition of "bank" in the Banking Act to include Queensland Industry Development Corporation.

Item 2 - Proposed amendment to subsection 5(1)

This item amends subsection 5(1) of the Banking Act to include a definition of Queensland Industry Development Corporation.

Item 3 - Proposed amendment to subsection 6 (1)

This item accommodates the proposed subsection 6 (1C) within the current section 6.

Item 4 - Proposed addition to section 6

This item adds to section 6 of the Banking Act by inserting a new subsection (1C) which provides that the relevant parts of the Banking Act, namely Part II (other than Division 1), Part V, and sections 61, 62, 64, 68, and 69, will apply to QIDC. The new subsection 6(1C) is so drafted because the Commonwealth will have no legislative power to apply Division 1 of Part II of the Act ("Authority to carry on Banking business") to QIDC for so long as subsection 42(1) of the State Act referring banking powers to the Commonwealth remains in force.



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