



Australian Citizens Party

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MEDIA RELEASE

Tuesday, 27 August, 2024

The RBA Reform bill is back! Take action now!

Tell Shadow Treasurer Angus Taylor and Coalition MPs and Senators: Don't let Jim Chalmers put a padlock on the Treasurer's power to veto RBA interest rate changes!

In response to public opposition which led to a Senate inquiry earlier this year, the Coalition withdrew its support for Treasurer Jim Chalmers' plan to repeal the Treasurer's veto over Reserve Bank interest rate decisions in Section 11 of the *RBA Act 1959*, but now Chalmers has come back with a ploy to put a padlock on the power so it is never used.

Australia's greatest prime ministers John Curtin and Ben Chifley first legislated this power 79 years ago to ensure the elected Parliament was sovereign over the financial system, not unelected bankers.

Robert Menzies retained the power in 1959 when he established the Reserve Bank of Australia; his National Development Minister Senator William Spooner told the Senate: "Whilst a great measure of independence is to be given to this Reserve Bank, and whilst no government would lightly interfere with what it will do, in the final analysis *the Government must reserve to itself the right to disagree with what the bank does*. The Government should do that only in circumstances in which the disagreement is brought out before the Parliament so that all may see the effect of it."

But even though it hasn't once been used in 79 years, and the Coalition withdrew its support for repealing it, Jim Chalmers is so desperate to stop it ever being used he has written to Shadow Treasurer Angus Taylor proposing to keep Section 11, but to add a "public interest" requirement before it can be used.

Why?

According to Professor Renee Fry-McKibbin, the co-author of Chalmers' RBA Review which recommended the repeal of Section 11, "The independence of the RBA is paramount. ... This power detracts from the independent operation of monetary policy and the credibility of the monetary framework", Fry-McKibbin said in *The Australian* on 26 August. "The RBA needs a structure fit for the future and also needs certainty on what that will look like."

Yet this is the person who couldn't tell the Senate hearing in February where the demand to repeal Section 11 came from!



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In truth, it is coming from the globalist technocrats at the Bank for International Settlements (BIS) in Basel, Switzerland, who demand there must be no “political interference” in the decisions of central bankers—so they can all coordinate their decisions through the BIS!

Except what they call political interference is actually *democratic accountability*—they use language like “political interference” to fool people into assuming a government veto is a bad thing, when in reality the power Curtin and Chifley inserted in Section 11 was to ensure governments can stop central bank technocrats from crushing households as they did in the Great Depression.

Their suspicious desperation now to stop this power from ever being used raises the very serious question: *What are they planning?*

Padlock on the power

So what will adding a “public interest” requirement mean?

We have examples of how governments define “public interest”:

- Afghanistan war crimes whistleblower David McBride is in prison because the Albanese government refused to accept that his leak of war crimes evidence was in the “public interest”, even though the public overwhelmingly thinks it was;
- ATO whistleblower Richard Boyle will likely go to prison for the same reason.

So if the government won’t see the public interest in not prosecuting whistleblowers who shed light on serious wrongdoing, it will never see the public interest in vetoing the RBA’s interest rate decisions.

It effectively puts a padlock on a power that already has strict requirements on its use, which is one reason that in 79 years it has never been used.

Angus Taylor should listen to Australia’s longest-serving treasurer, Peter Costello, who testified against changing Section 11 in the Senate hearing in February, making the point that history shows its misuse is “not a problem”.

“It’s a question of sovereignty”, Costello said. *“Does parliament think it should still have powers in this area or not?”*



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“The only reason you would get rid of Section 11 is if you don’t trust the parliament. If you think the parliament might wrongly intervene. Now, it’s a funny thing, I think, for the parliament to say we don’t trust ourselves. ... But it’s such a difficult power to execute ... that it can only be done in extreme circumstances.”

Costello added that despite it never being used, Section 11’s mere existence usefully forces the RBA to consider all consequences of its decisions.

Costello is right—it is a question of sovereignty! John Curtin said the same thing in 1937: “If the Government of the Commonwealth deliberately excludes itself from all participation in the making or changing of monetary policy, *it cannot govern except in a secondary degree.*” (Emphasis added.) In other words, unelected bankers are in charge, not the people’s elected representatives.

What you can do

Call and email your local MP and Shadow Treasurer Angus Taylor to remind them Peter Costello said it’s a “question of sovereignty” and misusing Section 11 is “not a problem”, and tell them they should reject Jim Chalmers’ ruse and demand Chalmers leave Section 11 alone!

Angus Taylor

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[Click here to find the contact details of your local MP.](#)

For a reminder of the history of this fight over Section 11, click here to watch “[Giving up authority over the RBA – The ultimate BETRAYAL of the Australian people](#)”.

For a detailed analysis of the BIS agenda, click here to watch a special presentation on Martin North’s Digital Finance Analytics YouTube channel, “[Austerity By Design: Who’s Taking The BIS? With Elisa Barwick](#)”. Publication Date 27 August 2024