



## ANALYSIS

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1961, No. 12

**An Act to establish a Monetary and Economic Council, and to define its functions** [29 September 1961]

WHEREAS it is desirable to establish a Council of persons competent in the fields of economics and finance to make objective and independent reports on the matters hereinafter specified:

BE IT THEREFORE ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

**1. Short Title**—This Act may be cited as the Monetary and Economic Council Act 1961.

*Monetary and Economic Council*

**2. Establishment of Monetary and Economic Council**—  
(1) There is hereby established for the purposes of this Act a Council, to be known as the Monetary and Economic Council.

(2) The Council shall consist of three members, who shall be appointed by the Governor-General on the recommendation of the Minister of Finance.

(3) The members of the Council shall be persons who, in the opinion of the Minister, are possessed of some special knowledge or qualifications that will be of advantage to the Council in the performance of its functions.

(4) No person shall be deemed to be employed in the service of Her Majesty for the purposes of the Public Service Act 1912 or the Superannuation Act 1956 by reason of his being a member of the Council.

(5) The persons holding office on the passing of this Act as the Chairman and members of the Monetary and Economic Council established by the Minister of Finance on the thirtieth day of March, nineteen hundred and sixty-one, shall be deemed to have been appointed under this section to be the Chairman and members of the Council for terms commencing on that date.

**3. Chairman of Council—**(1) One member of the Council shall be appointed by the Governor-General, on the recommendation of the Minister of Finance, as the Chairman of the Council.

(2) The Chairman shall preside at all meetings of the Council at which he is present.

(3) If at any meeting of the Council the Chairman is not present, the members present shall appoint one of their number to be the Chairman of that meeting.

(4) At any meeting of the Council the Chairman shall have a deliberative vote, and in the case of an equality of votes he shall also have a casting vote.

**4. Term of office of members of Council—**(1) Except as otherwise provided in this Act, every member of the Council shall be appointed for a term of three years. Any member may from time to time be reappointed.

(2) Notwithstanding anything to the contrary in this Act, every member of the Council, unless he sooner vacates his office, shall continue in office until his successor comes into office.

(3) With respect to the first members of the Council the following provisions shall apply:

- (a) One shall retire at the end of one year from the date of their appointment, another shall retire at the end of two years from that date, and the other shall retire at the end of three years from that date:
- (b) The member so to retire at the end of one year shall be determined by agreement of the three members, and the member so to retire at the end of two years shall be determined by agreement of the two members then remaining; and failing agreement on either occasion the member then to retire shall be determined by lot.

**5. Extraordinary vacancies**—(1) Any member of the Council may at any time be removed from office by the Governor-General for disability, bankruptcy, neglect of duty, or misconduct, proved to the satisfaction of the Governor-General, or may at any time resign his office by writing addressed to the Minister of Finance.

(2) If any member of the Council dies, or resigns, or is removed from office, the Governor-General may, on the recommendation of the Minister of Finance, appoint a fit person to fill the vacancy for the residue of the term for which the vacating member was appointed.

(3) The powers of the Council shall not be affected by any vacancy in its membership.

#### *Functions of Council*

**6. Functions of Council**—(1) The principal functions of the Council shall be—

- (a) To make reports from time to time on the extent to which stability in the prices of goods and services, economic growth, full employment, and higher standards of living are being achieved; and
- (b) To make recommendations from time to time relating to the short-term and long-term measures that should, in its opinion, be taken to promote economic growth and raise standards of living while maintaining full employment and the maximum stability in the internal price level.

(2) Without limiting the generality of subsection (1) of this section, it is hereby declared that the Council may from time to time report and make recommendations on all or any of the following matters:

- (a) The main economic and financial problems affecting costs of goods and services and stability in the internal price level:
- (b) The provision of finance for the expansion of primary and secondary industries and of services:
- (c) The steps that should be taken to ensure a balanced relationship between the creation and issue of money and the production and provision of goods and services:
- (d) Any reforms in the monetary system that the Council considers desirable.

**7. Council may publish reports**—The Council shall submit its reports and recommendations to the Minister of Finance, and may in its discretion publish the whole or any part of any report or recommendation made by it under this Act.

#### *Miscellaneous Provisions*

**8. Remuneration and allowances of members of Council**—(1) The Council is hereby declared to be a statutory Board within the meaning of the Fees and Travelling Allowances Act 1951.

(2) There shall be paid to the Chairman and the other members of the Board remuneration by way of fees or allowances and travelling allowances and expenses in accordance with the Fees and Travelling Allowances Act 1951, and the provisions of that Act shall apply accordingly.

**9. Meetings of Council**—(1) Meetings of the Council shall be held at such times and places as the Council or the Chairman from time to time appoints.

(2) At any meeting of the Council two members shall form a quorum.

(3) Subject to the provisions of this Act, the Council may regulate its procedure in such manner as it thinks fit.

**10. Staff of Council**—(1) The Council may appoint such officers and employees as it deems necessary for the efficient carrying out of its functions under this Act.

(2) The salaries of persons appointed under this section, and the terms and conditions of their appointments, shall be such as are approved by the Minister of Finance.

(3) There may from time to time be paid sums by way of contributions or subsidies to the National Provident Fund or any Fund or scheme approved by the Minister of Finance for the purpose of providing superannuation or retiring allowances for any officer or employee of the Council.

(4) No person shall be deemed to be employed in the service of Her Majesty for the purposes of the Public Service Act 1912 or the Superannuation Act 1956 by reason of his appointment under this section.

**11. Money to be appropriated by Parliament for purposes of this Act**—All salaries, fees, allowances, and other expenditure payable or incurred (whether before or after the passing of this Act) under or in the administration of this Act shall be payable out of money to be appropriated by Parliament for the purpose.

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This Act is administered in the Treasury.

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