

COMMONWEALTH BANK.

No. 43 of 1920.

An Act to amend the *Commonwealth Bank Act* 1911-1914 and for other purposes.

[Assented to 30th November, 1920.]

BE it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

1.—(1.) This Act may be cited as the *Commonwealth Bank Act* 1920. Short title and citation.

(2.) The *Commonwealth Bank Act* 1911-1914 is in this Act referred to as the Principal Act.

(3.) The Principal Act, as amended by this Act, may be cited as the *Commonwealth Bank Act* 1911-1920.

2. This Act shall commence on a date to be fixed by proclamation. Commencement.

3. The *Australian Notes Act* 1910-1914 is repealed.

Repeal of
*Australian
Notes Act*
1910-1914.
Parts.

4. Section three of the Principal Act is amended by inserting, after the words "Part VI.—Issue of Debentures by the Bank.", the following words:—

"Part VI A.—Issue of Australian Notes.

Division 1.—Preliminary.

Division 2.—Establishment of Note Issue Department.

Division 3.—Transfer of Existing Issue to Note Issue Department.

Division 4.—Issue of Australian Notes.

Division 5.—Offences in relation to Australian Notes."

5. Section eight of the Principal Act is amended by inserting after the word "not" the words "except as authorized by this Act". The Bank not to issue bank notes without authority.

6. After section sixteen of the Principal Act the following section is inserted:—

"16A. Where an officer of the Commonwealth Public Service becomes an officer of the Bank he shall retain all his existing and accruing rights." Commonwealth officers transferred to Bank.

7. After Part VI. of the Principal Act the following Part is inserted :—

“ PART VIA.—ISSUE OF AUSTRALIAN NOTES.

“ *Division 1.—Preliminary.*

Definitions.

“ 60A. In this Part, unless the contrary intention appears—

‘ Australian Note ’ means a note issued in pursuance of the *Australian Notes Act 1910–1914*, or in pursuance of this Part :

‘ Bank ’ means a person or company carrying on the business of banking :

‘ Bank note ’ means a bill or note for the payment of money issued by a bank, other than the Commonwealth Bank, and payable to bearer on demand and intended for circulation :

‘ Constable ’ includes any member of the police force of the Commonwealth or of a State or of part of the Commonwealth :

‘ the Board ’ means the Board of Directors appointed in pursuance of this Part :

‘ the Note Issue Department ’ means the Note Issue Department of the Commonwealth Bank, established in pursuance of this Part.

No State notes to be circulated after commencement of this Part.

“ 60B.—(1.) From and after the commencement of this Part—

(a) a bank shall not issue, or circulate as money, any note or instrument for the payment of money issued by a State and payable to bearer on demand ; and

(b) a note or instrument for the payment of money issued by a State and payable to bearer on demand shall not be a legal tender.

“ (2.) A bank which, in contravention of this section, issues or circulates as money any note or instrument issued by a State and payable to bearer on demand shall be liable to a penalty not exceeding Five hundred pounds.

“ (3.) Proceedings for an offence against this section shall only be instituted by the Attorney-General or by a person acting under his authority.

“ *Division 2.—Establishment of Note Issue Department.*

Establishment of Note Issue Department.

“ 60C. For the purposes of this Part there shall be a Note Issue Department of the Bank, which shall be kept distinct from all other departments of the Bank.

Management of Note Issue Department.

“ 60D.—(1.) The Note Issue Department shall be managed by a Board of Directors composed of the Governor of the Bank and three other Directors appointed by the Governor-General in accordance with this Part, of whom one shall be an officer of the Commonwealth Treasury.

“(2.) The Governor shall be *ex officio* Chairman of Directors.

“(3.) Of the three persons first appointed as Directors in pursuance of this section, one person shall be appointed and shall hold office, during good behaviour, for a term of five years, one for a term of four years, and one for a term of three years.

“(4.) Thereafter each appointment of Director shall be for a term of five years subject to good behaviour.

“(5.) Every person who is appointed a Director shall on the expiration of his term of office be eligible for re-appointment.

“(6.) In case of the illness or absence from the Commonwealth or absence from duty on leave of any Director, the Governor-General may appoint a person to act as a Director during the illness or absence.

“(7.) Three members of the Board of Directors shall form a quorum.

“(8.) At meetings of the Board of Directors the Chairman shall have a deliberative vote, and, in the event of an equality of voting, a second or casting vote.

“60E.—There shall be paid to each Director, other than the Governor, such remuneration and travelling allowance as the Governor-General fixes. Remuneration of Directors.

“ *Division 3.—Transfer of Existing Issue to Note Issue Department.*

“60F.—(1.) Upon a date to be fixed by Proclamation all the assets and liabilities of the Treasurer under the *Australian Notes Act 1910-1914* shall by force of this Act be transferred to the Note Issue Department of the Bank. Transfer of existing issue to Note Issue Department.

“(2.) The transfer of the assets and liabilities shall be at the values shown in the books of the Treasury.

“ *Division 4.—Issue of Australian Notes.*

“60G.—(1.) Subject to this Act, the Board may from time to time— Issue, re-issue, and cancellation of notes.

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

“(2.) Australian notes issued in pursuance of this Part shall not be deemed to be bank notes within the meaning of the *Bank Notes Tax Act 1910*.

“60H.—(1.) Australian notes may be issued in any of the following denominations, namely, Five shillings, Ten shillings, One pound, Five pounds, Ten pounds or any multiple of Ten pounds, and shall— Denomination, &c., of notes.

(a) be printed and issued by the Board from the Commonwealth Bank ;

- (b) be a legal tender throughout the Commonwealth and throughout all Territories under the control of the Commonwealth except in respect of payments due by the Note Issue Department; and
- (c) bear the promise of the Treasurer to redeem the notes in gold coin (or, in the case of a single five shillings Australian note, in silver coin) on demand at the Head Office of the Commonwealth Bank.

“(2.) Upon the commencement of this Act Australian notes expressed to be payable at the Commonwealth Treasury at the seat of Government shall be payable at the Head Office of the Commonwealth Bank.

“(3.) Australian notes shall bear thereon the signature of the Secretary to the Treasury or such other officer of the Commonwealth Treasury as the Treasurer directs, and the signature of the Chairman of Directors or such officer of the Note Issue Department as the Board directs. The signatures may be made in the handwriting of the officers or persons or may be made by engraving, lithography or any mechanical process approved by the Treasurer.

Disposal of
proceeds of
issue of notes.

“60I.—(1.) Part of the moneys derived from the issue of Australian notes or acquired on the transfer of the Australian Note Issue from the Treasury, shall be held by the Board in gold coin for the purposes of the reserve provided for in section sixty K of this Act, and the Board may invest the remainder or any part thereof—

- (a) on deposit with any bank, or
- (b) in securities of the United Kingdom, or of the Commonwealth, or of a State; or
- (c) in Trade Bills with a currency of not more than one hundred and twenty days.

“(2.) The Board may sell or dispose of any securities in which any moneys have been invested in pursuance of this section.

Disposal of
profits.

“60J. The profits derived from the issue of Australian notes shall be expended—

- (a) in the payment of the working expenses of the Note Issue Department;
- (b) in the payment of commission, at a rate to be approved by the Governor-General, to the Bank for the purposes of its general business; and
- (c) in the payment of the balance to the Treasury.

Gold reserve.

“60K.—(1.) The Board shall hold in gold coin and bullion a reserve of an amount not less than one-fourth of the amount of Australian notes issued.

“(2.) In ascertaining the amount of Australian notes issued, the amount of notes which have been redeemed shall not be included.

“ 60L.—(1.) On the last Monday of each month, an officer appointed for the purpose by the Board shall prepare and sign a statement, showing at the close of business on that date—

Monthly statement of notes issued and reserve held.

- (a) the number and amount of Australian notes issued and not redeemed, and
- (b) the amount of gold coin held by the Note Issue Department for the purposes of this Act.

“ (2.) The statement shall be countersigned by the Governor, and forwarded to the Treasurer for publication in the *Gazette*.

“ 60M. Every bank shall—

Bank to keep record and furnish return of bank notes in circulation.

- (a) keep, in accordance with the prescribed form, a record of all bank notes issued or re-issued by the Bank after the commencement of this Act and not redeemed by the Bank at the close of business on Monday of every week, and
- (b) on or before the thirty-first day of March in each year, send to the Treasurer a copy of such record for the previous calendar year, verified by a declaration in accordance with the prescribed form.

Penalty : Five hundred pounds.

“ 60N.—(1.) Every bank shall as at the close of business on each Monday render to the Chairman of Directors at Sydney a return in accordance with the prescribed form showing the value of the notes, issued under this Act or the Australian Notes Act, held by the bank.

Banks to furnish return of notes held.

(2.) Returns furnished under this section shall be supplied as soon as practicable after the date to which they refer.

Penalty : One hundred pounds.

“ 60O. For any Australian notes required by the Bank on deposit or for the purposes of its ordinary business the Bank shall make to the Note Issue Department payment, or shall give credit to the Board, upon the same terms and conditions as those applicable to any other bank.

Issue of notes to Commonwealth Bank for general business.

“ 60P.—(1.) The Governor-General may, whenever in his opinion any emergency has arisen which renders it desirable in the public interest so to do, by proclamation authorize the transfer, from the Board to the Treasurer, for such period as is specified in the proclamation, of the control of and responsibility for the whole or part of the Australian Note Issue, and may by that proclamation or a further proclamation give such directions as are in his opinion necessary or desirable for carrying out the transfer.

Control of Note Issue in time of emergency.

“ (2.) Upon the issue of a proclamation in pursuance of this section, the control of and responsibility for the Australian Note Issue shall, for the period and to the extent specified in the proclamation, be transferred to the Treasurer.

“ (3.) When the Governor-General is of opinion that the emergency on account of which the transfer was made has ceased, he may by

proclamation authorize the re-transfer of the Australian Note Issue to the Board, and thereupon the Australian Note Issue shall be re-transferred accordingly.

“ *Division 5.—Offences in relation to Australian Notes.*

Definitions.

“ 60Q. In this Division—

‘ Commonwealth Security ’ means any Australian note issued in pursuance of the *Australian Notes Act* 1910–1914, or in pursuance of this Part.

‘ Form of Commonwealth Security ’ means any form of a Commonwealth Security, or any form intended or likely to pass for the form of a Commonwealth Security, and includes any part of a form of a Commonwealth Security.

Forging or uttering notes.

“ 60R. Every person who, with intent to defraud, forges, or utters knowing it to be forged—

(a) any Commonwealth Security, or

(b) any indorsement or transfer of any Commonwealth Security, shall be guilty of an indictable offence.

Penalty : Imprisonment for fourteen years.

Possession of forged notes.

“ 60S. Every person who, without lawful excuse (proof whereof shall lie upon him), has in his possession any forged Commonwealth Security shall be guilty of an indictable offence.

Penalty : Imprisonment for four years.

Making, &c., of false forms.

“ 60T. Every person who, without the authority of the Treasurer, (proof whereof shall lie upon him) makes or has in his possession—

(a) any form of any Commonwealth Security, or

(b) any instrument or thing which may be used in making any form of any Commonwealth Security,

shall be guilty of an indictable offence.

Penalty : Imprisonment for three years.

Personation, &c.

“ 60U. Every person who, with intent to defraud—

(a) falsely personates any person entitled to any Commonwealth Security, or

(b) makes out or delivers any Commonwealth Security for a greater or less amount than the amount to which the person on whose behalf it is made is entitled,

shall be guilty of an indictable offence.

Penalty : Imprisonment for eight years.

Making false declaration.

“ 60V. Any person who wilfully makes any false statement in any declaration under this Act shall be guilty of an indictable offence.

Penalty : Imprisonment for four years.

“ 60w.—(1.) Every person who, without the authority of the Treasurer (proof whereof shall lie upon him) makes or has in his possession—

Copying of
Australian
notes
forbidden.

- (a) any copy of an Australian note, or
- (b) any writing, engraving, photograph or print resembling an Australian note or apparently intended to be or pass for a copy of an Australian note,

shall be guilty of an offence.

Penalty : One hundred pounds, or imprisonment for one year, or both.

“ (2.) This section shall not affect the liability of any person to be proceeded against for any higher offence, but a person so proceeded against shall not be liable to be punished twice in respect of the same offence.

“ (3.) In this section copy of an Australian note includes any representation or negative of an Australian note in any size or scale, and includes a copy of a form of an Australian note in any size or scale.

“ 60x. Every person who—

- (a) defaces or disfigures any Australian note by writing, printing, stamping or drawing anything thereon, or
- (b) makes on, or attaches to, any Australian note any advertisement, or
- (c) designs, makes, issues or circulates any advertisement in the form of or resembling or apparently intended to resemble any Australian note,

Defacing, &c.,
of Australian
notes.

shall be guilty of an offence.

Penalty : Twenty pounds.

“ 60y. Any person who aids, abets, counsels or procures, or is in any way knowingly directly or indirectly concerned in, the commission of any offence against this Act shall be deemed to have committed that offence and shall be punishable accordingly.

Aiders and
abettors.

“ 60z.—(1.) Any form of any Commonwealth Security and any instrument or thing which may be used in making any form of any Commonwealth Security shall, if made or in the possession of any person without the authority of the Treasurer, be forfeited to the King.

Illicit forms
to be
confiscated.

“ (2.) Any constable may at any time seize any article forfeited under this section or any article which he has reasonable ground to believe is forfeited under this section and bring it before a Court of summary jurisdiction.

“ (3.) A Court of summary jurisdiction may order any article seized in pursuance of this section or section sixty AA to be condemned or to be returned to the person from whom it was seized.

“(4.) Any article condemned in pursuance of this section shall be dealt with as the Treasurer directs.

Search
warrants.

“60AA.—(1.) Upon information, on oath or affirmation, by any constable, that he has reasonable ground to believe that any article forfeited under this Act is in any building or place, a justice of the peace may issue a search warrant to the constable.

“(2.) A constable having a search warrant under this section may, with such assistance as he thinks necessary, enter and search the building or place mentioned in the warrant, and for that purpose may break open any part of the building or place and break open any article therein, and may seize and take away any article which he has reasonable ground to believe is forfeited under this Act, and bring it before a Court of summary jurisdiction.

“(3.) The laws of each State relating to search warrants shall, so far as applicable, apply to search warrants under this section.

Counterfeit
notes to be
marked.
Cf. Canada R.S.
ch. 29, s. 75.

“60AB. Every officer charged with the receipt or disbursement of public moneys, and every officer of any bank, shall stamp or write in plain letters the word ‘counterfeit’, ‘altered’ or ‘worthless’ upon every counterfeit or fraudulent note issued in the form of an Australian note which is presented to him at his place of business, and if he wrongfully writes or stamps those words on any genuine Australian note he shall upon presentation redeem it at the face value thereof.”