

COMMONWEALTH BANK (SAVINGS BANK).

No. 36 of 1927.

An Act to amend the *Commonwealth Bank Act*
1911-1925.

[Assented to 22nd December, 1927.]

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

Short title
and citation.

1.—(1.) This Act may be cited as the *Commonwealth Bank (Savings Bank) Act* 1927.

(2.) The *Commonwealth Bank Act* 1911-1925* 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* 1911-1927.

Commencement.

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

Consequential
amendments to
Principal Act.

3. The Principal Act is amended as set out in the Schedule to this Act.

Parts.

4. Section three of the Principal Act is amended by omitting the words and figures "PART V.—Savings Bank Business." and inserting in their stead the following words and figures :—

"PART V.—THE SAVINGS BANK."

Definitions.

5. Section four of the Principal Act is amended—

(a) by inserting before the definition of "Director" the following definition :—

" 'Commissioner' means a member of the Commission and includes the Chief Commissioner ; "

* Act No. 18, 1911, as amended by No. 24, 1914; No. 43, 1920; No. 15, 1924; and No. 16, 1925.

- (b) by adding at the end of the definition of "the Bank" the words " , but does not include the Savings Bank " ;
- (c) by inserting after the definition of "the Bank" the following definitions :—
- " 'the Commission' means the Commission appointed in pursuance of this Act ;
- 'the Chief Commissioner' means the Chief Commissioner of the Savings Bank ; " ; and
- (d) by inserting at the end thereof the following definition :—
- " 'the Savings Bank' means the Commonwealth Savings Bank established by this Act."

6. After section twenty of the Principal Act the following section is inserted in Part III. :—

" 20A.—(1.) The Treasurer shall, at least twice in each year, prepare a statement of the combined accounts of the Bank and the Savings Bank in accordance with the prescribed form.

Statement of combined accounts of Bank and Savings Bank.

(2.) The Treasurer shall submit the statement to the Auditor-General for the Commonwealth for certification as to its correctness.

(3.) The statement shall, within fourteen days of its being so certified, be laid before both Houses of the Parliament if the Parliament is then sitting and, if not, then within fourteen days after the next meeting of the Parliament."

7. The heading to Part V. of the Principal Act is amended by omitting the words "SAVINGS BANK BUSINESS" and inserting in their stead the words "THE SAVINGS BANK".

Amendment of heading to Part V.

8. Section thirty-five of the Principal Act is repealed and the following sections are inserted in its stead :—

" 35. A Commonwealth Savings Bank, to be called the Commonwealth Savings Bank of Australia, is hereby established.

Establishment of Savings Bank.

" 35A. The Savings Bank shall be a body corporate with perpetual succession and a common seal, and may hold land, and may sue and be sued in its corporate name.

Incorporation of Savings Bank.

" 35B. The Savings Bank shall, in addition to any other powers conferred by this Act, have power—

General powers of Savings Bank.

- (a) to carry on the general business of a Savings Bank ;
- (b) to acquire and hold land on any tenure ;
- (c) to receive money on deposit either for a fixed term or on current account ;
- (d) to make advances by way of loan or otherwise ;
- (e) to do anything incidental to any of its powers.

Transfer of Savings Bank business from Commonwealth Bank.

“ 35C.—(1.) The assets of the Commonwealth Bank of Australia in respect of its Savings Bank business shall be transferred to the Savings Bank and the Savings Bank shall be responsible for the liabilities of the Commonwealth Bank of Australia in respect of its Savings Bank business.

“(2.) All books and records of the Commonwealth Bank of Australia in respect of its Savings Bank business shall be transferred to the Savings Bank.

Savings Bank may take over business of other Savings Banks.

“ 35D.—(1.) The Savings Bank may, with the approval of the Treasurer, enter into an arrangement with the proper authority controlling any Savings Bank constituted under the laws of a State for the transfer to the Savings Bank, upon such terms and conditions as are agreed upon between the Savings Bank and the proper authority, of the whole or any part of the assets, liabilities and business of that Savings Bank.

Application of agreements with States.

“(2.) The following agreements relating to the transfer of State Government Savings Banks to the Commonwealth Bank of Australia shall be binding on the Savings Bank :—

(a) The agreement of the twenty-second day of June, One thousand nine hundred and twenty, between the Commonwealth Bank of Australia and the State of Queensland ;

(b) The agreements between the Commonwealth Bank of Australia and the State of Tasmania of the nineteenth day of June, One thousand nine hundred and thirteen, the twenty-third day of December, One thousand nine hundred and eighteen, and the fourth day of January, One thousand nine hundred and twenty-two.

Management.

“ 35E. The Savings Bank shall be managed by a Commission composed of a Chief Commissioner and two other Commissioners :

Provided that, until the appointment of the Commission, which shall only be appointed upon a resolution passed by both Houses of the Parliament approving such appointment—

(a) the Savings Bank shall be managed by the Board of the Bank ; and

(b) for the purposes of this Part, and of the *Commonwealth Housing Act 1927*, the Governor shall have all the powers and functions of the Chief Commissioner, and the Board shall have all the powers and functions of the Commission ; and

(c) all references in this Part (excepting in sections 35F to 35N inclusive) and in the *Commonwealth Housing Act 1927* to the Chief Commissioner or to the Commission shall be read as references to the Governor or the Board as the case may be.

Appointment of Commissioners.

“ 35F.—(1.) The Chief Commissioner and the two other Commissioners shall be appointed by the Governor-General, and shall hold office for a period not exceeding seven years, and shall be eligible for re-appointment.

“(2.) Of the Commissioners other than the Chief Commissioner one shall be a Director of the Commonwealth Bank of Australia (other than the Governor of the Bank or the Secretary to the Treasury) nominated by the Board of Directors of that Bank.

“35g. The Chief Commissioner shall be the Chief Executive Officer of the Savings Bank and shall devote the whole of his time to the duties of his office. Duties of Chief Commissioner.

“35h.—(1.) The Chief Commissioner shall be entitled to remuneration by way of salary at such rate as is fixed by the Governor-General. Remuneration of Commissioners.

“(2.) Each Commissioner, other than the Chief Commissioner, shall be entitled to remuneration by way of salary at the rate of Five hundred pounds per annum.

“35j. Notwithstanding anything contained in this Act, the Chief Commissioner and each Commissioner shall hold office only during good behaviour. Offices to be held during good behaviour.

“35k.—(1.) If the Chief Commissioner is absent from the Commonwealth, or is absent from duty on leave, or is unable by reason of illness or other cause to perform the duty of his office, or if a vacancy exists in the office of Chief Commissioner, the Governor-General may appoint some other person to act as Deputy of the Chief Commissioner, and the deputy shall have and exercise the powers and functions of the Chief Commissioner during his absence, or while the inability continues or the vacancy exists. Provision in case of absence of Commissioners.

“(2.) If the Commissioner who is a Director of the Commonwealth Bank of Australia is unable from any cause whatever to attend a meeting of the Commission, the Board of Directors of that Bank shall nominate another Director other than the Governor of that Bank or the Secretary to the Treasury, to act as his deputy, and the deputy shall, while so acting, have all the powers and perform all the duties of the Commissioner :

Provided that, in the event of the appointment of a deputy being necessary before the next meeting of the Board of Directors of the Commonwealth Bank, the nomination of the deputy may be made by the Executive Committee of that Bank.

“(3.) If the other Commissioner is unable from any cause whatever to attend a meeting of the Commission, the Treasurer may nominate another person to act as his deputy, and the deputy shall, while so acting, have all the powers and perform all the duties of the Commissioner.

“35l. Each Commissioner shall, before entering upon his duties or exercising any power under this Act, make before a Justice of the Peace or a Commissioner for Affidavits, or a Commissioner for Declarations, a declaration of fidelity and secrecy in the prescribed form. Declaration of fidelity and secrecy.

Office of
Commissioner
—how vacated.

“ 35M. A Commissioner shall be deemed to have vacated his office if—

- (a) being the Chief Commissioner, he engages, during his term of office, in any paid employment outside the duties of his office ;
- (b) he is or becomes a Director of any Bank other than the Commonwealth Bank of Australia ;
- (c) he becomes bankrupt or insolvent, or applies to take the benefit of any Act or State Act for the relief of bankrupt or insolvent debtors, or compounds with his creditors or makes an assignment of his remuneration for their benefit ;
- (d) he absents himself (except on leave granted by the Governor-General) from all meetings of the Commission held during two consecutive months or during any three months in any period of twelve months ; or
- (e) he becomes permanently incapable of performing his duties.

Meetings of
Commission.

“ 35N.—(1.) The Commission shall meet at least once a month, and at such other times as the Chief Commissioner directs.

“ (2.) At meetings of the Commission two members shall form a quorum.

“ (3.) The Chief Commissioner shall be Chairman of the Commission and shall preside at its meetings.

“ (4.) All questions arising at any meeting of the Commission shall be decided by a majority of the votes of the Commissioners.

“ (5.) If at any meeting at which only two Commissioners are present, the voting upon any question is equal, the question shall be deferred until a full meeting of the Commission.

Appointment
of officers.

“ 35P. The Commission may appoint such officers and servants of the Savings Bank as the Commission thinks necessary for efficiently conducting the business of the Savings Bank, provided that so far as practicable arrangements shall be made by the Commission with the Commonwealth Bank of Australia for the utilization of a common staff of officers.

Commonwealth
officers
transferred
to Bank.

“ 35Q.—(1.) Where an officer of the Commonwealth Public Service becomes an officer of the Savings Bank, he shall retain all his existing and accruing rights.

“ (2.) Where an officer of the Commonwealth Bank of Australia becomes an officer of the Savings Bank, he shall retain all his rights and privileges in the Superannuation Fund of the Commonwealth Bank of Australia, and where under the rules of the Officers Superannuation Fund the Commonwealth Bank of Australia is required to contribute to that Fund, such contributions in respect of officers transferred to the Savings Bank shall be paid by the Savings Bank.

“ (3.) Where any such officer again becomes an officer of the Commonwealth Bank of Australia, he shall continue to retain all his rights and privileges in the Superannuation Fund of the Commonwealth Bank of Australia, and where, in pursuance of the last

preceding sub-section, the Savings Bank has been paying contributions to the Officers Superannuation Fund of the Commonwealth Bank of Australia, the liability of the Savings Bank so to contribute in respect of that officer shall be determined from the date upon which the officer again becomes an officer of the Commonwealth Bank of Australia, and the liability of the Commonwealth Bank of Australia to contribute in respect of that officer shall thereupon reattach.

“35r.—(1.) The Head Office of the Savings Bank shall be situated in such place within the Commonwealth as is prescribed. Head Office and branches.

“(2.) The Commission may establish branches, agencies or sub-agencies at any place within the Commonwealth or any Territory under the authority of the Commonwealth, or, with the consent of the Treasurer, in any other part of the King’s Dominions.

“35s.—(1.) The Commission may appoint the Commonwealth Bank of Australia, and the Commonwealth Bank of Australia shall act in accordance with any such appointment, as its agent for carrying out any or all of its powers and duties under this Act, and may delegate to the Commonwealth Bank the power of appointing sub-agencies. Commonwealth Bank as agent.

“(2.) The Commission shall reimburse the Commonwealth Bank of Australia the actual cost of services rendered under arrangements made in accordance with this section, and the amount of this payment shall be subject to review at the end of every twelve months. In the event of disagreement between the Commonwealth Bank of Australia and the Commission as to the payment to be made under this sub-section, the question shall be submitted for determination to the Auditor-General for the Commonwealth, and his decision shall be binding on both parties.

“35t. The Commission, with the consent of the Treasurer, may enter into arrangements for carrying out any portion of its business, with a bank or corporation or authority established under the laws of the Commonwealth or a State or private individual or firm. Commission may enter into arrangements with outside corporations, &c.

“35u.—(1.) The Commission may arrange with the Minister administering any Department of the Commonwealth for an officer of the Department to act as agent for the Savings Bank for the transaction of the business of the Savings Bank. Commonwealth officers may act as agents.

“(2.) An officer acting as agent of the Savings Bank in pursuance of this section shall be deemed to be an officer of the Savings Bank.

“(3.) The Commission may delegate to the Commonwealth Bank of Australia the power to make arrangements under this section.

“35v.—(1.) The net profits of the Savings Bank in each half-year shall be dealt with as follows :— Profits of Savings Bank—how dealt with.

- (a) One-half shall be placed to the credit of a fund to be called the Savings Bank Reserve Fund ; and
- (b) One-half shall be paid into the National Debt Sinking Fund as soon as practicable after the preparation of each balance-sheet.

“(2.) The Savings Bank Reserve Fund shall be available for the payment of any liabilities of the Savings Bank.

Investment of funds

“35w.—(1.) The Savings Bank may invest any moneys held by it—

- (a) in any Government security approved by the Treasurer ;
- (b) on loan on the security of land ;
- (c) in advancing money, in accordance with the *Commonwealth Housing Act 1927*, for the purchase or erection of dwelling-houses, and for the discharge of mortgages on dwelling-houses ;
- (d) in advancing money for the erection of warehouses or storage facilities intended for the warehousing or storage of primary products, including the erection of plant for treatment to ensure their preservation and preparation for marketing ;
- (e) in debentures issued by the Commonwealth Bank of Australia for the purposes of its Rural Credits Department ;
- (f) on fixed deposit with the Commonwealth Bank of Australia ;
- (g) in any other prescribed manner ;

and may also, from time to time, vary any such investment.

“(2.) For the purposes of paragraph (d) of the last preceding subsection ‘primary products’ means wool, grain, butter, cheese, meat, fish, fresh, preserved or dried fruits, hops, cotton, sugar, and such other produce as is prescribed.”.

9. Section fifty-two of the Principal Act is repealed and the following section inserted in its stead :—

Application to Savings Bank of certain provisions of this Act.

“52.—(1.) The provisions of sections sixteen B to twenty (inclusive), twenty-seven to twenty-nine (inclusive), thirty-one to thirty-three (inclusive), thirty-four A, fifty-three to sixty (inclusive), sixty-one and sixty-two of this Act shall, so far as applicable, apply in relation to the Savings Bank in like manner as they apply in relation to the Bank.

“(2.) In the application of those provisions—

- (a) any reference to the Board shall be read as a reference to the Commission ;
- (b) any reference to the Directors shall be read as a reference to the Commissioners ;
- (c) any reference to an Appeal Board shall be read as a reference to the Appeal Board of the Savings Bank ; and
- (d) any reference to officers of the Bank shall be read as a reference to officers of the Savings Bank.”.

Regulations.

10. Section sixty-three of the Principal Act is amended by omitting all the words after the words “making provision for” and inserting in their stead the following paragraphs :—

- (a) The making of advances for the purchase and erection of dwelling-houses, and for the discharge of mortgages on dwelling-houses ;

- “(b) The making of advances for the erection of warehouses or storage facilities for the warehousing or storage of primary products as defined in sub-section (2.) of section thirty-five w of this Act ; and
- “(c) The issue, inscription, transfer, transmission and redemption of inscribed stock of the Bank and of the Savings Bank and all matters incidental thereto.”.

THE SCHEDULE.

CONSEQUENTIAL AMENDMENTS IN THE COMMONWEALTH BANK ACT 1911-1925.

Section.	Extent of Amendment.
36	Before “ Bank ” (first occurring) insert “ Savings.” Omit “ at any place where Savings Bank business is carried on.” Omit “ Savings Bank.”
36A	Omit the section.
37	Before “ Bank ” (first occurring) insert “ Savings.” Omit “ Savings Bank ” (first occurring). Omit “ or agency of the Bank open for Savings Bank business ” and insert “ agency or sub-agency of the Savings Bank.”
38	Omit “ or agency ” and insert “ agency or sub-agency.”
39	Before “ Bank ” (wherever occurring) insert “ Savings.” Omit “ Savings Bank.”
40	Before “ Bank ” insert “ Savings.” Omit “ in connexion with the Savings Bank business of the Bank.”
41	Before “ Bank ” (wherever occurring) insert “ Savings.” Omit “ Savings Bank ” (wherever occurring).
42	Before “ Bank ” (wherever occurring) insert “ Savings.” Omit “ Savings Bank.”
43	Omit “ by way of Savings Bank deposits.” Before “ Bank ” insert “ Savings.”
44	Omit “ Board ” (wherever occurring) and insert “ Commission.” Omit “ Bank by way of Savings Bank deposit ” and insert “ Savings Bank.” Before “ Bank ” (wherever occurring) insert “ Savings.”
45	Omit “ Board ” (wherever occurring) and insert “ Commission.” Omit “ Bank by way of Savings Bank deposit ” and insert “ Savings Bank by way of deposit.”
46	Before “ Bank ” (last occurring) insert “ Savings.” Omit “ Bank by way of Savings Bank deposit ” and insert “ Savings Bank.” Before “ Bank ” (last occurring) insert “ Savings.”
47	Omit “ Board ” and insert “ Commission.” Omit “ Bank ” (last occurring) and insert “ Savings Bank.” Omit “ Board ” (wherever occurring) and insert “ Commissioner.”
48	Before “ Bank ” (last occurring) insert “ Savings.” Omit “ Bank, deposit by way of Savings Bank deposit ” and insert “ Savings Bank, deposits.”
49	Before “ Bank ” (wherever occurring) insert “ Savings.” Omit “ Bank by way of Savings Bank deposit ” and insert “ Savings Bank.” Omit “ of that nature.”
50	Omit “ Savings Bank.” Before “ Bank ” (wherever occurring) insert “ Savings.”
51	Omit “ Board ” and insert “ Commission.” Omit “ Savings Bank.” Omit “ Board ” (wherever occurring) and insert “ Commission.” Before “ Bank ” (wherever occurring) insert “ Savings.”