

## COMMONWEALTH BANKS.

### No. 5 of 1959.

An Act to establish a Commonwealth Banking Corporation and to make provision for the conduct of the business of the Commonwealth Trading Bank of Australia, the Commonwealth Savings Bank of Australia and the Commonwealth Development Bank of Australia.

[Assented to 23rd April, 1959.]

**B**E it enacted by the Queen's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

#### PART I.—PRELIMINARY.

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|---------------|--|
| Short title.  | 1. This Act may be cited as the <i>Commonwealth Banks Act</i> 1959.  |
| Commencement. | 2. This Act shall come into operation on the day on which the <i>Reserve Bank Act</i> 1959 comes into operation.   |
| Parts.        | 3. This Act is divided into Parts, as follows:— <ul style="list-style-type: none"> <li>Part I.—Preliminary (Sections 1-6).</li> <li>Part II.—The Commonwealth Banking Corporation (Sections 7-13).</li> <li>Part III.—The Commonwealth Banking Corporation Board (Sections 14-26).</li> <li>Part IV.—The Commonwealth Trading Bank (Sections 27-39).</li> <li>Part V.—The Commonwealth Savings Bank (Sections 40-54).</li> <li>Part VI.—Housing Loans.             <ul style="list-style-type: none"> <li>Division 1.—Preliminary (Sections 55-58).</li> <li>Division 2.—Loans to Building Societies (Sections 59-60).</li> <li>Division 3.—Loans to Individuals (Sections 61-70).</li> </ul> </li> <li>Part VII.—The Commonwealth Development Bank (Sections 71-86).</li> <li>Part VIII.—The Commonwealth Banking Corporation Service.</li> </ul> |

Division 1.—Preliminary (Section 87).

Division 2.—Appointments and Examinations (Sections 88-96).

Division 3.—Classification and Promotions (Sections 97-101).

Division 4.—Tenure of Office (Sections 102-105).

Division 5.—Dismissals and Punishments (Sections 106-109).

Division 6.—General (Sections 110-113).

Part IX.—Miscellaneous (Sections 114-129).

4. In this Act, unless the contrary intention appears—

Definitions.

“ Australia ” includes the Territories of the Commonwealth;

“ bank ” means a person carrying on the business of banking, and includes the Trading Bank, the Savings Bank and the Development Bank;

“ Executive Committee ” means the Executive Committee of the Board for the Trading Bank, the Executive Committee of the Board for the Savings Bank or the Executive Committee of the Board for the Development Bank;

“ officer ” means an officer of the Service;

“ repealed Act ” means an Act repealed by the *Commonwealth Bank Act 1945* or by the *Reserve Bank Act 1959*;

“ statutory office ” means the office of Managing Director or Deputy Managing Director of the Corporation, General Manager of the Trading Bank, General Manager of the Savings Bank or General Manager of the Development Bank;

“ the Board ” means the Commonwealth Banking Corporation Board;

“ the Commonwealth Bank ” means the Commonwealth Bank of Australia;

“ the Corporation ” means the Commonwealth Banking Corporation;

“ the Deputy Managing Director ” means the Deputy Managing Director of the Corporation;

“ the Development Bank ” means the Commonwealth Development Bank of Australia;

“ the Managing Director ” means the Managing Director of the Corporation;

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“the Reserve Bank” means the Reserve Bank of Australia;

“the Savings Bank” means the Commonwealth Savings Bank of Australia;

“the Service” means the Commonwealth Banking Corporation Service;

“the Trading Bank” means the Commonwealth Trading Bank of Australia.

Application to Territories.

5. This Act extends to all the Territories of the Commonwealth.

This Act subject to Banking Act.

6. This Act has effect subject to the *Banking Act* 1959 and to the regulations under that Act.

#### PART II.—THE COMMONWEALTH BANKING CORPORATION.

The Commonwealth Banking Corporation.

7.—(1.) There shall be a Commonwealth Banking Corporation.

(2.) The Corporation—

(a) is a body corporate;

(b) shall have a seal; and

(c) is capable of acquiring, holding and disposing of real and personal property and of suing and being sued.

(3.) The Corporation shall provide and make available to the Trading Bank, the Savings Bank and the Development Bank such officers and employees as are necessary for efficiently conducting the business of each of those banks.

Establishment of Commonwealth Banking Corporation Board.

8. There shall be a Commonwealth Banking Corporation Board, which shall be constituted as provided by Part III.

Functions of Commonwealth Banking Corporation Board.

9.—(1.) Subject to this Act, the Board has power to determine the policy of the Corporation, of the Trading Bank, of the Savings Bank and of the Development Bank, in relation to any matter, and to control the affairs of the Corporation and of each of those banks.

(2.) It is the duty of the Board, within the limits of its powers, to ensure that the policy of the Corporation, and the banking policy of the Trading Bank, of the Savings Bank and of the Development Bank, are directed to the greatest advantage of the people of Australia and have due regard to the stability and balanced development of the Australian economy.

10.—(1.) There shall be an Executive Committee of the Board for the Trading Bank, an Executive Committee of the Board for the Savings Bank and an Executive Committee of the Board for the Development Bank, each of which shall be constituted as provided by Part III.

Executive  
Committees.

(2.) It is the duty of the Executive Committee for a bank to take such action as is necessary to ensure that effect is given by that bank to the policy of that bank as determined under this Part and to any directions given by the Board in relation to the affairs of that bank.

11.—(1.) The Board shall, from time to time, inform the Government of—

Differences of  
opinion on  
questions of  
policy.

(a) any policy of the Corporation which, in the opinion of the Board, should be made known to the Government; and

(b) the banking policy of the Trading Bank, the Savings Bank and the Development Bank.

(2.) In the event of a difference of opinion between the Government and the Board whether any policy referred to in the last preceding sub-section is directed to the greatest advantage of the people of Australia and has due regard to the stability and balanced development of the Australian economy, the Treasurer and the Board shall endeavour to reach agreement.

(3.) If the Treasurer and the Board are unable to reach agreement, the Board shall forthwith furnish to the Treasurer a statement in relation to the matter in respect of which the difference of opinion has arisen.

(4.) The Treasurer may then submit a recommendation to the Governor-General, and the Governor-General, acting with the advice of the Federal Executive Council, may, by order, determine the policy to be adopted by the Corporation, the Trading Bank, the Savings Bank or the Development Bank, as the case may be, but so that the policy so determined is not inconsistent with the *Banking Act* 1959, with the regulations under that Act or with the monetary and banking policy of the Reserve Bank.

(5.) The Treasurer shall inform the Board of the policy so determined and shall at the same time inform the Board that the Government accepts responsibility for the adoption by the Corporation, the Trading Bank, the Savings Bank or the Development Bank, as the case may be, of that policy and will take such action (if any) within its powers as the Government considers to be necessary by reason of the adoption of that policy.

(6.) The Board shall thereupon ensure that effect is given to the policy determined by the order and shall, if the order so requires, continue to ensure that effect is given to that policy while the order remains in operation.

(7.) The Treasurer shall cause to be laid before each House of the Parliament, within fifteen sitting days of that House after the Treasurer has informed the Board of the policy determined under sub-section (4.) of this section—

- (a) a copy of the order determining the policy;
- (b) a statement by the Government in relation to the matter in respect of which the difference of opinion arose; and
- (c) a copy of the statement furnished to the Treasurer by the Board under sub-section (3.) of this section.

Management  
of the  
Corporation.

12.—(1.) There shall be a Managing Director and a Deputy Managing Director of the Corporation, who shall be appointed and hold office as provided by Part III.

(2.) Subject to sub-section (1.) of section nine of this Act, the Corporation shall be managed by the Managing Director.

(3.) The Deputy Managing Director shall perform such duties as the Managing Director directs and, in the event of a vacancy in the office of Managing Director, the Deputy Managing Director shall perform the duties of the Managing Director and shall have and may exercise the powers and functions of the Managing Director.

Managing  
Director and  
Secretary to  
Treasury to  
establish  
liaison.

13. The Managing Director and the Secretary to the Department of the Treasury shall establish a close liaison with each other and shall keep each other fully informed on all matters which jointly concern the Corporation, the Trading Bank, the Savings Bank or the Development Bank and the Department of the Treasury.

#### PART III.—THE COMMONWEALTH BANKING CORPORATION BOARD.

Membership  
of Board.

14.—(1.) The Commonwealth Banking Corporation Board shall consist of—

- (a) the Managing Director;
- (b) the Deputy Managing Director;
- (c) the Secretary to the Department of the Treasury; and
- (d) eight other members, who shall be appointed by the Governor-General in accordance with this section.

(2.) A member of the Board appointed under paragraph (d) of the last preceding sub-section—

- (a) shall, subject to this section, be appointed for a period of five years but is eligible for re-appointment; and
- (b) holds office subject to good behaviour.

(3.) Of the members of the Board who are first appointed under paragraph (d) of sub-section (1.) of this section, two shall be appointed for a period of two years, two for a period of three years, two for a period of four years and two for a period of five years.

(4.) In the event of a member of the Board appointed under paragraph (d) of sub-section (1.) of this section ceasing to hold office before the termination of his period of office, the period of appointment of a person appointed in his place shall be the remainder of the period of office of the member so ceasing to hold office.

(5.) A member of the Board shall be paid by the Corporation such remuneration (if any) as the Governor-General determines.

15. A member of the Board shall, before entering upon his duties or exercising any power under this Act, make, before a Justice of the Peace or a Commissioner for taking Affidavits, an oath or affirmation of allegiance in accordance with the form in the Schedule to the Constitution and a declaration of secrecy in accordance with the prescribed form.

Declaration  
by members.

16. A person who is—

- (a) a member of the Reserve Bank Board appointed under paragraph (d) of sub-section (1.) of section fourteen of the *Reserve Bank Act 1959*;
- (b) the Governor, the Deputy Governor or an officer or employee of the Reserve Bank;
- (c) an officer or employee of the Corporation (other than the Managing Director or the Deputy Managing Director);
- (d) the General Manager of the Trading Bank, of the Savings Bank or of the Development Bank;
- (e) an officer of the Public Service of the Commonwealth (other than the Secretary to the Department of the Treasury); or
- (f) a director, officer or employee of a corporation the business of which is wholly or mainly that of banking,

Disqualification  
from  
membership.

is not capable of appointment, or of continuing to act, as a member of the Board.

Vacation of  
office.

**17.—(1.)** If a member of the Board appointed under paragraph (d) of sub-section (1.) of section fourteen of this Act—

- (a) becomes permanently incapable of performing his duties;
- (b) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his remuneration for their benefit;
- (c) resigns his office by writing under his hand addressed to the Governor-General;
- (d) is absent, except on leave granted by the Treasurer, from all meetings of the Board held during two consecutive months or during any three months in any period of twelve months; or
- (e) fails to comply with his obligations under section twenty-four of this Act,

the Governor-General shall terminate his appointment.

(2.) In this section, “ month ” means any of the twelve months of the year.

Chairman and  
Deputy  
Chairman  
of the Board.

**18.—(1.)** The Governor-General shall appoint one of the members of the Board appointed under paragraph (d) of sub-section (1.) of section fourteen of this Act to be Chairman of the Board, and another such member to be Deputy Chairman of the Board, for such period as the Governor-General determines.

(2.) The Chairman or the Deputy Chairman of the Board holds office as Chairman or Deputy Chairman until the expiration of the period of his appointment or until he ceases to be a member of the Board, whichever first happens.

(3.) The Chairman or the Deputy Chairman of the Board may resign his office as Chairman or Deputy Chairman by writing under his hand addressed to the Governor-General.

Meetings of  
Board.

**19.—(1.)** The Board shall meet at such times and places as the Board determines or as the Chairman or the Deputy Chairman directs.

(2.) The Chairman shall preside at all meetings of the Board at which he is present and, in the absence of the Chairman, the Deputy Chairman shall preside.

(3.) Six members, of whom the Chairman or the Deputy Chairman shall be one, form a quorum at a meeting of the Board.

(4.) Questions arising at a meeting of the Board shall be decided by a majority of the votes of the members present and voting.

(5.) The member presiding at a meeting of the Board shall have a deliberative vote and, in the event of an equality of votes, shall also have a casting vote.

20.—(1.) Each Executive Committee shall consist of the Managing Director and four other members of the Board.

Membership  
of Executive  
Committees.

(2.) A member of an Executive Committee (other than the Managing Director) shall be appointed by the Treasurer after consultation with the Board and shall hold office during the pleasure of the Treasurer or until he ceases to be a member of the Board.

(3.) The Chairman of the Board shall not be appointed as a member of an Executive Committee but may attend a meeting of an Executive Committee.

(4.) The Secretary to the Department of the Treasury shall not be appointed as a member of the Executive Committee for the Trading Bank or of the Executive Committee for the Development Bank.

(5.) If the Deputy Managing Director is not a member of an Executive Committee, he may attend a meeting of the Committee at which the Managing Director is not present as the deputy of the Managing Director and, while so attending, shall be deemed to be a member of the Committee.

21.—(1.) The Board may give such directions as it thinks fit with respect to the procedure to be followed at and in relation to meetings of an Executive Committee.

Meetings of  
Executive  
Committees.

(2.) Directions given by the Board under the last preceding sub-section in relation to an Executive Committee may include directions with respect to—

- (a) the convening of meetings of the Executive Committee;
- (b) the number of members of the Executive Committee to constitute a quorum;
- (c) the appointment of a member of the Executive Committee to preside at meetings of the Executive Committee; and
- (d) the manner in which questions arising at a meeting of the Executive Committee shall be decided.

22. The exercise of the rights, powers, authorities or functions, or the performance of the duties or obligations, of the Board or of an Executive Committee is not affected by reason only of there being a vacancy in the office of a member of the Board or of the Executive Committee, as the case may be.

Vacancies not  
to invalidate  
proceedings.

23. The Deputy Secretary in the Department of the Treasury may attend a meeting of the Board at which the Secretary to the Department of the Treasury is not present and, if the Secretary is a member of the Executive Committee for the Savings Bank, may attend a meeting of that Executive Committee at which the Secretary is not present and, in relation to meetings of

Deputy  
Secretary,  
Department of  
Treasury.



the Board or of that Executive Committee which the Deputy Secretary attends in pursuance of this section, he shall, for the purposes of this Part, be deemed to be a member of the Board or of that Executive Committee, as the case may be.

Disclosure of  
interest in  
contracts.

**24.—(1.)** A member of the Board who is directly or indirectly interested in a contract made or proposed to be made by the Corporation, the Trading Bank, the Savings Bank or the Development Bank otherwise than as a member, and in common with the other members, of an incorporated company consisting of not less than twenty-five persons, shall disclose the nature of his interest at the first meeting of the Board at which he is present after the relevant facts have come to his knowledge.

(2.) If a member of the Board who is required by the last preceding sub-section to disclose to the Board the nature of his interest in a contract is a member of the Executive Committee for the bank by which the contract has been made or is proposed to be made, he shall, unless he has previously disclosed the nature of that interest to the Board, disclose the nature of that interest at the first meeting of that Executive Committee at which he is present after the relevant facts have come to his knowledge.

(3.) A disclosure under this section to the Board or an Executive Committee shall be recorded in the minutes of the Board or of the Executive Committee, as the case may be.

(4.) After a member of the Board has, in pursuance of this section, disclosed the nature of his interest in a contract, the member—

- (a) shall not take part in any deliberation or decision of the Board, or of the Executive Committee for the bank by which the contract has been made or is proposed to be made, with respect to the contract; and
- (b) shall be disregarded for the purposes of constituting a quorum of the Board or of that Executive Committee for any such deliberation or decision.

Managing  
Director and  
Deputy  
Managing  
Director of  
Corporation.

**25.—(1.)** The Managing Director and the Deputy Managing Director—

- (a) shall be appointed by the Governor-General;
- (b) shall be appointed for such period, not exceeding seven years, as the Governor-General determines but are eligible for re-appointment; and
- (c) hold office subject to good behaviour.

(2.) The Managing Director and the Deputy Managing Director shall be paid by the Corporation such salary and allowances as the Governor-General determines.

**26.** If the Managing Director or the Deputy Managing Director— Vacation of office.

- (a) becomes permanently incapable of performing his duties;
- (b) engages in any paid employment outside the duties of his office;
- (c) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his salary for their benefit; or
- (d) resigns his office by writing under his hand addressed to the Governor-General,

the Governor-General shall terminate his appointment.

#### PART IV.—THE COMMONWEALTH TRADING BANK.

**27.** Notwithstanding the repeal effected by sub-section (1.) of section four of the *Reserve Bank Act* 1959, the Commonwealth Trading Bank of Australia established under the *Commonwealth Bank Act* 1945-1953— The Commonwealth Trading Bank.

- (a) is preserved and continues in existence under and subject to the provisions of this Act, so that the corporate identity of the Commonwealth Trading Bank of Australia shall not be affected;
- (b) continues to be a body corporate;
- (c) shall have a seal; and
- (d) is capable of acquiring, holding and disposing of real and personal property and of suing and being sued.

**28.—(1.)** The Trading Bank shall carry on general banking business. General functions of Trading Bank.

(2.) It is the duty of the Trading Bank to develop and expand its business.

(3.) The Trading Bank shall not refuse to conduct banking business for a person by reason only of the fact that to conduct that business would have the effect of taking away business from another bank.

**29.—(1.)** The Trading Bank has such powers as are necessary for the purpose of carrying out its functions under this Act. Powers of Trading Bank.

(2.) Without limiting the generality of the last preceding sub-section, the Trading Bank has power, in addition to any other powers conferred on it by this Act—

- (a) to receive money on deposit;
- (b) to borrow money;
- (c) to lend money;

- (d) to buy, sell, discount and re-discount bills of exchange, promissory notes and treasury bills;
- (e) to buy and sell securities issued by the Commonwealth and other securities;
- (f) to buy, sell and otherwise deal in foreign currency, specie, gold and other precious metals;
- (g) to establish credits and give guarantees;
- (h) to issue bills and drafts and effect transfers of money;
- (i) to underwrite loans and issues of capital; and
- (j) to do anything incidental to any of its powers.

Capital.

30. The capital of the Trading Bank shall be the aggregate of—

- (a) the amount of the capital of the Trading Bank immediately before the commencement of this Act;
- (b) the sum of Two million pounds, which shall be paid by the Reserve Bank to the Trading Bank on the date of commencement of this Act; and
- (c) such other sums as are transferred from the Commonwealth Trading Bank Reserve Fund in pursuance of the next succeeding section.

Reserve Fund.

31.—(1.) The Trading Bank shall have a reserve fund (to be called the Commonwealth Trading Bank Reserve Fund), which shall consist of the aggregate of—

- (a) the amount standing to the credit of the Commonwealth Trading Bank Reserve Fund existing under the *Commonwealth Bank Act 1945–1953* immediately before the commencement of this Act; and
- (b) such other sums as are placed to the credit of the Fund in pursuance of the next succeeding section.

(2.) There may be transferred from time to time from the Commonwealth Trading Bank Reserve Fund to the capital of the Trading Bank such sums as the Board determines.

Profits of Trading Bank.

32. The net profits of the Trading Bank in each year, after provision for income tax, shall be dealt with as follows:—

- (a) one-half shall be placed to the credit of the Commonwealth Trading Bank Reserve Fund; and
- (b) one-half shall be paid to the Commonwealth.

General Manager of Trading Bank.

33.—(1.) There shall be a General Manager of the Trading Bank, who shall be appointed by the Governor-General upon the recommendation of the Board.

(2.) The General Manager of the Trading Bank—

- (a) shall be appointed for such period, not exceeding seven years, as the Governor-General determines but is eligible for re-appointment; and
- (b) holds office subject to good behaviour.

(3.) The General Manager of the Trading Bank shall be paid by the Trading Bank such salary and allowances as the Governor-General determines.

34. If the General Manager of the Trading Bank—

- (a) becomes permanently incapable of performing his duties;
- (b) engages in any paid employment outside the duties of his office;
- (c) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his salary for their benefit; or
- (d) resigns his office by writing under his hand addressed to the Governor-General,

Vacation of office.

the Governor-General shall terminate his appointment.

35.—(1.) The General Manager of the Trading Bank shall, under the Managing Director, manage the Trading Bank.

Management of Trading Bank.

(2.) The Managing Director and the General Manager of the Trading Bank shall, in relation to the management of the Trading Bank, act in accordance with the policy of the Trading Bank and with any directions of the Board or of the Executive Committee for the Trading Bank.

36. The Trading Bank shall pay to the Corporation an amount determined by the Board to be the proportion of the expenses of the Corporation attributable to the Trading Bank.

Trading Bank to pay share of expenses of Corporation.

37. The Trading Bank shall pay the Savings Bank or the Development Bank for any services rendered by the Savings Bank or the Development Bank to the Trading Bank.

Payment for services.

38. The Trading Bank may, with the approval of the Treasurer, enter into an arrangement with any other bank for the transfer to the Trading Bank, upon such terms and conditions as are agreed upon between the Trading Bank and that other bank, of the whole or any part of the assets, liabilities and business of that other bank.

Amalgamation of other banks with Trading Bank.

39. In the exercise of its powers and the performance of its functions, the Trading Bank may—

Agents, &c.

- (a) establish branches and agencies at such places, whether within or beyond Australia, as the Bank thinks fit;

- (b) arrange with a person to act as agent of the Bank in any place, whether within or beyond Australia; and
- (c) act as the agent of any bank (including the Reserve Bank, the Savings Bank or the Development Bank) carrying on business within or beyond Australia.

PART V.—THE COMMONWEALTH SAVINGS BANK.

The Commonwealth Savings Bank.

40. Notwithstanding the repeal effected by sub-section (1.) of section four of the *Reserve Bank Act 1959*, the Commonwealth Savings Bank of Australia established under the *Commonwealth Bank Act 1911-1943* and continued in existence under the *Commonwealth Bank Act 1945-1953*—

- (a) is preserved and continues in existence under and subject to the provisions of this Act, so that the corporate identity of the Commonwealth Savings Bank of Australia shall not be affected;
- (b) continues to be a body corporate ;
- (c) shall have a seal; and
- (d) is capable of acquiring, holding and disposing of real and personal property and of suing and being sued.

General functions of Savings Bank.

41.—(1.) The Savings Bank shall carry on the general business of a savings bank.

(2.) It is the duty of the Savings Bank, within the limits of its powers, to encourage saving and to promote the interests of its depositors.

Powers of Savings Bank.

42.—(1.) The Savings Bank has such powers as are necessary for the purpose of carrying out its functions under this Act.

(2.) Without limiting the generality of the last preceding subsection, the Savings Bank has power, in addition to any other powers conferred on it by this Act—

- (a) to receive money on deposit;
- (b) to borrow money;
- (c) to invest any money held by it—
  - (i) in securities issued by the Commonwealth, including Treasury Bills;
  - (ii) in securities issued by a State;
  - (iii) in securities issued by the Government of the United Kingdom or of any part of the Queen's dominions;
  - (iv) in securities issued or guaranteed by an authority constituted by or under an Act or State Act;

- (v) in loans to building societies, being loans the repayment of which is guaranteed by the Commonwealth or a State;
  - (vi) in loans for housing or other purposes on the security of land;
  - (vii) in loans to or deposits with the Reserve Bank or any other bank; and
  - (viii) in any other prescribed manner; and
- (d) to do anything incidental to any of its powers.

43. The Savings Bank shall have a reserve fund (to be called the Commonwealth Savings Bank Reserve Fund), which shall consist of the aggregate of—

Reserve Fund.

- (a) the amount standing to the credit of the Savings Bank Reserve Fund existing under the *Commonwealth Bank Act 1945–1953* immediately before the commencement of this Act; and
- (b) such other sums as are placed to the credit of the Fund in pursuance of the next succeeding section.

44. The net profits of the Savings Bank in each year shall be dealt with as follows:—

Profits of Savings Bank.

- (a) one-half shall be placed to the credit of the Commonwealth Savings Bank Reserve Fund; and
- (b) one-half shall be paid to the Commonwealth.

45.—(1.) There shall be a General Manager of the Savings Bank, who shall be appointed by the Governor-General upon the recommendation of the Board.

General Manager of Savings Bank

- (2.) The General Manager of the Savings Bank—
  - (a) shall be appointed for such period, not exceeding seven years, as the Governor-General determines but is eligible for re-appointment; and
  - (b) holds office subject to good behaviour.

(3.) The General Manager of the Savings Bank shall be paid by the Savings Bank such salary and allowances as the Governor-General determines.

46. If the General Manager of the Savings Bank—

Vacation of office.

- (a) becomes permanently incapable of performing his duties;
- (b) engages in any paid employment outside the duties of his office;
- (c) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his salary for their benefit; or

(d) resigns his office by writing under his hand addressed to the Governor-General, the Governor-General shall terminate his appointment.

**Management of Savings Bank.**

**47.—**(1.) The General Manager of the Savings Bank shall, under the Managing Director, manage the Savings Bank.

(2.) The Managing Director and the General Manager of the Savings Bank shall, in relation to the management of the Savings Bank, act in accordance with the policy of the Savings Bank and with any directions of the Board or of the Executive Committee for the Savings Bank.

**Savings Bank to pay share of expenses of Corporation.**

**48.** The Savings Bank shall pay to the Corporation an amount determined by the Board to be the proportion of the expenses of the Corporation attributable to the Savings Bank.

**Payment for services.**

**49.** The Savings Bank shall pay the Trading Bank or the Development Bank for any services rendered by the Trading Bank or the Development Bank to the Savings Bank.

**Amalgamation of other savings banks with Commonwealth Savings Bank.**

**50.** The Savings Bank may, with the approval of the Treasurer, enter into an arrangement with any other savings bank for the transfer to the Savings Bank, upon such terms and conditions as are agreed upon between the Savings Bank and the other savings bank, of the whole or any part of the assets, liabilities and business of that other savings bank.

**Agents, &c.**

**51.** In the exercise of its powers and the performance of its functions, the Savings Bank may—

- (a) establish branches and agencies at such places, whether within or beyond Australia, as the Bank thinks fit;
- (b) arrange with a person to act as agent of the Bank in any place, whether within or beyond Australia;
- (c) arrange with the Minister administering any Department of the Commonwealth for an officer of the Department to act as agent of the Bank for the transaction of the business of the Bank; and
- (d) act as the agent of any bank (including the Reserve Bank, the Trading Bank or the Development Bank) carrying on business within or beyond Australia.

**Interest on deposits.**

**52.—**(1.) The Savings Bank may allow on any sum, not being less than One pound, to the credit of a depositor interest at such rate as the Board from time to time determines.

(2.) The Board may determine different rates of interest according to the amount to the credit of the depositor.

(3.) The Board may determine that different rates of interest be paid in respect of different classes of depositors.

(4.) The Board may determine that interest shall not be payable in respect of so much of the amount to the credit of a depositor as exceeds an amount fixed by the Board.

53.—(1.) Where, in respect of a depositor's account (not being an account in the name of an infant) there has not, for a period of not less than seven years, been any operation upon the account by deposit or withdrawal and the pass book has not been presented to the Savings Bank, all money standing to the credit of the account may be credited to a fund to be called the Depositors' Unclaimed Fund and shall thereupon cease to bear interest.

Unclaimed deposits.

(2.) The Savings Bank may, on being satisfied that a person is entitled to money which has been credited to the Depositors' Unclaimed Fund, make payment of the money to him, and the receipt by him of the money is a good discharge to the Savings Bank.

(3.) A list of the amounts of not less than the prescribed amount credited in any year to the Depositors' Unclaimed Fund and not claimed shall be published in the *Gazette* within six months after the end of the year to which the list relates.

(4.) All moneys in respect of which a claim is not established within ten years after having been credited to the Depositors' Unclaimed Fund cease to be claimable and become the absolute property of the Savings Bank, but the Savings Bank may allow any claim after the expiration of that period if it is satisfied that special reasons exist for the payment of the claim.

54. Bills of exchange (including cheques) drawn on the Savings Bank, and receipts or orders given to the Savings Bank in relation to any money withdrawn from the Savings Bank, are not liable to stamp duty or other tax under any law of the Commonwealth or of a State or Territory of the Commonwealth.

Bills of exchange, &c., not liable to stamp duty.

#### PART VI.—HOUSING LOANS.

##### *Division 1.—Preliminary.*

55. Subject to this Part, loans may be made by the Trading Bank or the Savings Bank to building societies and to individuals, for the erection or purchase of homes or for the discharge of mortgages on homes.

Housing loans.

56. In making loans under this Part, the Trading Bank and the Savings Bank shall give preference to loans for the erection of homes and for the purchase of newly erected homes.

Preference to be given to certain loans.



Rates of interest. 57. Loans under this Part shall be made at the lowest practicable rates of interest.

Part not to limit Banks' powers. 58. This Part does not limit the powers of the Trading Bank or of the Savings Bank under any other provision of this Act.

*Division 2.—Loans to Building Societies.*

Terms and conditions of loans. 59. Loans to building societies under this Division shall be made on such terms and conditions as the Trading Bank or the Savings Bank determines.

Amount of loan. 60. Except in the case of a loan the repayment of which is guaranteed by the Commonwealth or a State, the amount of a loan under this Division shall not exceed ninety per centum of the value (as determined by the Trading Bank or the Savings Bank) of the security upon which the loan is made.

*Division 3.—Loans to Individuals.*

Loans to individuals. 61. Loans to individuals under this Division shall be made on *crédit foncier* terms.

Circumstances in which loans may be made. 62. A loan shall not be made under this Division unless the Trading Bank or the Savings Bank is satisfied that the borrower is residing in the home or will reside in the home within a reasonable time.

Loans to be made on mortgage. 63.—(1.) A loan under this Division shall be made upon the security of a mortgage to the Trading Bank or the Savings Bank of an estate or interest in land in Australia owned by the borrower.

(2.) A loan shall not be made under this Division upon the security of a mortgage of an estate or interest in land which is subject to a prior mortgage or charge (other than a statutory charge to the Commonwealth, a State, the Administration of a Territory of the Commonwealth, or to a statutory authority of the Commonwealth or of a State or Territory of the Commonwealth) unless the prior mortgage or charge is discharged out of the money lent or otherwise.

(3.) The owner of an estate or interest in land upon the security of which a loan has been made under this Division shall not, without the consent in writing of the Trading Bank or of the Savings Bank, mortgage or charge the estate or interest in land upon the security of which the loan was made.

Terms and conditions of loans. 64. Subject to this Part, a loan made under this Division shall be on such terms and conditions as the Trading Bank or the Savings Bank determines.

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65. A loan under this Division shall not be made for a period of less than five years or for a period of more than thirty-five years.

Period of loans.

66. The amount of a loan under this Division shall not exceed ninety per centum of the value (as determined by the Trading Bank or by the Savings Bank) of the estate or interest in land on which the loan is secured, or the prescribed amount, whichever is the less.

Amount of loans.

67. A mortgage given as security for repayment of a loan under this Division shall provide for the payment of monthly or, at the option of the Trading Bank or of the Savings Bank, quarterly, instalments of principal and interest and for the payment, at the end of the period of the loan, of the balance (if any) then outstanding.

Loans repayable by periodical instalments.

68. The Trading Bank or the Savings Bank may undertake the insurance of a home in respect of which a loan is made by it under this Division.

Power to insure homes.

69.—(1.) A person indebted to the Trading Bank or the Savings Bank in respect of a loan made under this Division may, at any time after the expiration of five years from the date of the mortgage, repay the balance of the loan then outstanding and such a person may, at any time before the expiration of that period, but subject to compliance with such terms and conditions as the Trading Bank or the Savings Bank thinks fit, repay the balance of the loan then outstanding.

Repayment of loans before maturity.

(2.) A person indebted to the Trading Bank or the Savings Bank in respect of a loan made under this Division may, at any time, pay to the Trading Bank or the Savings Bank any portion of the loan (being not less than Ten pounds) and the Trading Bank or the Savings Bank shall credit to that person, half-yearly, interest on the amounts so paid at the rate of interest payable under the mortgage.

(3.) Interest so credited shall bear interest in the same manner as payments made under the last preceding sub-section.

(4.) A payment made under sub-section (2.) of this section does not affect the liability of the person concerned to pay the instalments of principal and interest or other payments to be made under the mortgage.

(5.) The Trading Bank or the Savings Bank may, in its discretion, and from time to time, apply any money paid under sub-section (2.) of this section, or any interest credited under this section, in reduction of the loan or in or towards payment of any money due under the mortgage.

(6.) A person is not, during the currency of the loan, entitled to receive from the Trading Bank or the Savings Bank payment of any amount paid under sub-section (2.) of this section, or of any interest credited under this section, but when the amounts so paid, together with interest so credited, after deduction of any amount applied under the last preceding sub-section, are sufficient to pay the amount owing to the Trading Bank or the Savings Bank under the mortgage, the Trading Bank or the Savings Bank shall apply so much thereof as is necessary in payment of the last-mentioned amount and shall account to the mortgagor for any surplus.

Provisions  
where  
mortgaged land  
transferred, &c.

70.—(1.) Where an estate or interest in land which is the subject of a mortgage given in respect of a loan under this Division—

(a) is, without the consent in writing of the Trading Bank or the Savings Bank, transferred, conveyed, assigned, surrendered or otherwise dealt with or disposed of to a person other than the mortgagor; or

(b) becomes, by operation of law or otherwise, vested in a person other than the mortgagor,

the balance of the loan then remaining unpaid shall, at the option of the Trading Bank or the Savings Bank, which may be exercised at any time, become due and payable immediately upon the exercise of the option and be recoverable with the interest thereon and that interest shall accrue thereafter from day to day.

(2.) Any consent of the Trading Bank or the Savings Bank under paragraph (a) of the last preceding sub-section may be either unconditional or subject to such conditions as the Trading Bank or the Savings Bank thinks fit, and, where any condition subject to which consent was given is not complied with, the balance of the loan then remaining unpaid shall, at the option of the Trading Bank or the Savings Bank, which may be exercised at any time, become due and payable immediately upon the exercise of the option and be recoverable with interest thereon and that interest shall accrue thereafter from day to day.

#### PART VII.—THE COMMONWEALTH DEVELOPMENT BANK.

The  
Commonwealth  
Development  
Bank.

71.—(1.) A bank, to be called the Commonwealth Development Bank of Australia, is hereby established.

(2.) The Development Bank—

(a) is a body corporate;

(b) shall have a seal; and

(c) is capable of acquiring, holding and disposing of real and personal property and of suing and being sued.

72. The functions of the Development Bank are—

Functions of  
Development  
Bank.

(a) to provide finance for persons—

- (i) for the purposes of primary production; or
- (ii) for the establishment or development of industrial undertakings, particularly small undertakings,

in cases where, in the opinion of the Development Bank, the provision of the finance is desirable and the finance would not otherwise be available on reasonable and suitable terms and conditions; and

(b) to provide advice and assistance with a view to promoting the efficient organization and conduct of primary production or of industrial undertakings.

73.—(1.) In determining whether or not finance shall be provided for a person, the Development Bank shall have regard primarily to the prospects of the operations of that person becoming, or continuing to be, successful and shall not necessarily have regard to the value of the security available in respect of that finance.

Matters to be  
considered in  
providing  
finance.

(2.) The Development Bank shall not provide finance for a person to enable that person to acquire goods for use otherwise than in the course of his business.

74.—(1.) For the purpose of carrying out its functions under this Act, the Development Bank is empowered to carry on banking business.

Powers of  
Development  
Bank.

(2.) Without limiting the generality of the last preceding sub-section, the Development Bank has power, in addition to any other powers conferred on it by this Act—

- (a) to receive money on deposit;
- (b) to borrow money;
- (c) to lend money;
- (d) to buy, sell, discount and re-discount bills of exchange, promissory notes and treasury bills;
- (e) to buy and sell securities issued by the Commonwealth and other securities;
- (f) to establish credits and give guarantees;
- (g) to issue bills and drafts and effect transfers of money;
- (h) to underwrite loans and issues of capital; and
- (i) to do anything incidental to any of its powers.

75. The capital of the Development Bank shall be the aggregate of—

Capital of  
Development  
Bank.

- (a) the amount of the capital of the Mortgage Bank Department of the Commonwealth Bank immediately before the commencement of this Act;

- (b) the amount of the capital of the Industrial Finance Department of the Commonwealth Bank immediately before the commencement of this Act;
- (c) the sum of Five million pounds, which shall be paid by the Reserve Bank to the Development Bank on the date of commencement of this Act; and
- (d) such other sums as are transferred from the Commonwealth Development Bank Reserve Fund in pursuance of the next succeeding section.

## Reserve Fund.

76.—(1.) The Development Bank shall have a reserve fund (to be called the Commonwealth Development Bank Reserve Fund), which shall consist of—

- (a) the amount standing to the credit of the Mortgage Bank Department Reserve Fund existing under the *Commonwealth Bank Act 1945-1953* immediately before the commencement of this Act;
- (b) the amount standing to the credit of the Industrial Finance Department Reserve Fund existing under the *Commonwealth Bank Act 1945-1953* immediately before the commencement of this Act; and
- (c) such other sums as are placed to the credit of the Fund in pursuance of the next succeeding section.

(2.) There may be transferred from time to time from the Commonwealth Development Bank Reserve Fund to the capital of the Development Bank such sums as the Board determines.

## Profits of Development Bank.

77. The net profits of the Development Bank in each year shall be placed to the credit of the Commonwealth Development Bank Reserve Fund.

## General Manager of Development Bank.

78.—(1.) There shall be a General Manager of the Development Bank, who shall be appointed by the Governor-General upon the recommendation of the Board.

(2.) The General Manager of the Development Bank—

- (a) shall be appointed for such period, not exceeding seven years, as the Governor-General determines but is eligible for re-appointment; and
- (b) holds office subject to good behaviour.

(3.) The General Manager of the Development Bank shall be paid by the Development Bank such salary and allowances as the Governor-General determines.

## Vacation of office.

79. If the General Manager of the Development Bank—

- (a) becomes permanently incapable of performing his duties;

- (b) engages in any paid employment outside the duties of his office;
- (c) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his salary for their benefit; or
- (d) resigns his office by writing under his hand addressed to the Governor-General,

the Governor-General shall terminate his appointment.

**80.**—(1.) The General Manager of the Development Bank shall, under the Managing Director, manage the Development Bank. Management of Development Bank.

(2.) The Managing Director and the General Manager of the Development Bank shall, in relation to the management of the Development Bank, act in accordance with the policy of the Development Bank and with any directions of the Board or of the Executive Committee for the Development Bank.

**81.** The Development Bank shall pay to the Corporation an amount determined by the Board to be the proportion of the expenses of the Corporation attributable to the Development Bank. Development Bank to pay share of expenses of Corporation.

**82.** The Development Bank shall pay the Trading Bank or the Savings Bank for any services rendered by the Trading Bank or the Savings Bank to the Development Bank. Payment for services.

**83.** In the exercise of its powers and the performance of its functions, the Development Bank— Agents, &c.

- (a) may establish branches and agencies at such places within Australia as the Development Bank thinks fit;
- (b) may arrange with a person to act as agent of the Development Bank in any place, whether within or beyond Australia, and shall, on request by a bank specified in Part I. of the First Schedule to the *Banking Act 1959*, appoint that bank to be an agent of the Development Bank for the receipt and transmission of applications for the provision of finance by the Development Bank; and
- (c) may act as the agent of any bank (including the Reserve Bank, the Trading Bank or the Savings Bank) carrying on business within or beyond Australia.

**84.** Except with the consent of the Treasurer— Limitation on borrowing.

- (a) the total amount of moneys borrowed by the Development Bank from the Reserve Bank and not repaid shall not at any time exceed Two million pounds; and
- (b) the Development Bank shall not borrow moneys repayable in a currency other than Australian currency

Loans by  
Treasurer.

85. The Treasurer may, from time to time, out of moneys appropriated by the Parliament for the purpose, but not otherwise, lend to, or deposit with, the Development Bank such amounts, and subject to such terms and conditions, as are agreed upon between the Treasurer and the Board.

Definition.

86. In this Part, "finance" includes financial assistance.

PART VIII.—THE COMMONWEALTH BANKING CORPORATION  
SERVICE.

*Division 1.—Preliminary.*

Definitions.

87. In this Part—

"the Disciplinary Appeal Board" means the Disciplinary Appeal Board referred to in section one hundred and nine of this Act;

"the Promotions Appeal Board" means the Promotions Appeal Board referred to in section one hundred and one of this Act.

*Division 2.—Appointments and Examinations.*

Appointment of  
officers.

88.—(1.) The Corporation may appoint such officers as are necessary for the purposes of this Act.

(2.) The officers appointed under this Part shall constitute the Commonwealth Banking Corporation Service.

(3.) Subject to this Part, officers shall hold office on such terms and conditions as the Corporation determines.

Temporary and  
casual  
employees.

89.—(1.) The Corporation may appoint such temporary and casual employees as are necessary for the purposes of this Act.

(2.) Employees so appointed shall be employed on such terms and conditions as the Corporation determines.

Requirements  
for appointment  
to Service.

90.—(1.) Subject to this Part, a person shall not be appointed to the Service unless—

(a) he is a British subject;

(b) he makes and subscribes, before a Justice of the Peace or a Commissioner for taking Affidavits, an oath or affirmation of allegiance in accordance with the form in the Schedule to the Constitution;

(c) the Corporation is satisfied as to his health and physical fitness; and

(d) he has in open competition passed a prescribed entrance examination.

(2.) The Corporation may appoint persons who have not passed a prescribed entrance examination to such positions, or to positions of such classes, as are prescribed.

(3.) Where the Trading Bank enters into an arrangement under section thirty-eight of this Act, or the Savings Bank enters into an arrangement under section fifty of this Act, the Corporation may appoint to the Service officers of the bank or savings bank with or in respect of which the arrangement is made although they have not passed a prescribed examination.

91. A person shall not be admitted to a prescribed entrance examination unless that person is of the required sex and age and the Corporation is satisfied, upon the certificate of a person included in a prescribed class of persons, as to his good character.

Admission to examinations.

92. Adequate notice and particulars of each prescribed entrance examination shall be given by the Corporation to the public by advertisement in the *Gazette* and in the daily newspapers.

Notice of examinations.

93. Separate entrance examinations may be held for separate parts of Australia.

Separate examinations.

94.—(1.) The appointments to the Service of persons who have passed a prescribed entrance examination shall be made in the order of merit in which those persons passed that examination.

Appointments to be made in order of merit.

(2.) Nothing in the last preceding sub-section requires the Corporation to appoint a person—

- (a) who has previously refused appointment; or
- (b) who passed the prescribed entrance examination more than twelve months previously.

95.—(1.) The Corporation may appoint to the Service a person who has not passed a prescribed entrance examination but is—

Appointment of University graduates.

- (a) a graduate of, or qualified for admission to a degree of, a University in Australia; and
- (b) not more than twenty-five years of age.

(2.) The number of persons appointed to the Service under the last preceding sub-section in any year shall not exceed one-ninth of the number of male persons appointed to the Service during that year after having passed a prescribed entrance examination.

(3.) In this section, "year" means any period commencing on the first day of January and ending on the following thirty-first day of December.

96.—(1.) If at any time in any special case it appears expedient or desirable to appoint to the Service a person who has not passed a prescribed entrance examination, the Corporation may appoint that person without examination.

Appointment of persons without examination.



(2.) An appointment shall not be made under the last preceding sub-section unless the Managing Director certifies that, in his opinion, there is no officer available who is as capable of filling the position to which it is proposed that the appointment shall be made.

(3.) A copy of every certificate under the last preceding sub-section shall be laid before each House of the Parliament within fifteen sitting days of that House after the appointment is made.

*Division 3.—Classification and Promotions.*

Creation and abolition of positions.

97. The Corporation may create positions in the Service and may abolish positions in the Service.

Reclassification.

98.—(1.) The Corporation may, from time to time, reclassify a position in the Service by raising or lowering the salary, or the range of salary, applicable to the position.

(2.) Whenever a position is reclassified, the position shall be deemed to be vacant.

(3.) Where—

- (a) the Corporation makes alterations of the classifications of all the positions in the Service or of a substantial proportion of the positions in the Service; and
- (b) the Corporation declares, in writing, that those alterations are related to each other,

the last preceding sub-section does not apply in relation to any of those alterations.

(4.) A declaration made by the Corporation under the last preceding sub-section shall be made known to the officers as prescribed.

Selection of officers for promotion.

99.—(1.) In the selection of an officer for promotion to a vacant position, consideration shall be given first to the relative efficiency of the officers available for promotion and, in the event of equality of efficiency of two or more officers, then to the relative seniority of those officers.

(2.) For the purposes of this section—

- (a) “efficiency” means special qualifications and aptitude for the discharge of the duties of the position to be filled, together with merit, diligence and good conduct, and, in the case of an officer who has at any time been engaged on war service, includes such efficiency as, in the opinion of the Corporation, the officer would have attained but for his absence on war service; and

(b) the seniority of officers shall be determined as prescribed.

(3.) Notwithstanding anything contained in the last preceding sub-section, "efficiency", in relation to promotions to such senior executive positions in the Service as are prescribed, includes not only special qualifications and aptitude for the discharge of the duties of the position to be filled but also for the discharge of the duties of positions of higher status in the Service.

**100.—**(1.) The promotion of an officer to a vacant position— Appeals against promotions.  
 (a) is provisional and without increased salary pending confirmation of the promotion;  
 (b) shall be made known to the officers as prescribed; and  
 (c) is subject to appeal as provided by this section.

(2.) An officer who considers that he should have been promoted to a vacant position in preference to the officer provisionally promoted may appeal to the Promotions Appeal Board on the ground of superior efficiency or equal efficiency and seniority.

(3.) The regulations may prescribe the manner in which, and the time within which, appeals may be made under this section.

(4.) Upon an appeal being made, the Promotions Appeal Board shall make full inquiry into the claims of the appellant and those of the officer provisionally promoted and shall determine the appeal.

(5.) Where the appeal is upheld, the appellant shall be promoted to the vacant position and the provisional promotion shall be cancelled.

(6.) Where the appeal is disallowed, or an appeal is not lodged within the prescribed time, the provisional promotion shall be confirmed.

(7.) Notwithstanding anything contained in this section, the Corporation may, at any time after notification has been made of a provisional promotion to a vacant position and before the promotion has been confirmed, cancel the provisional promotion if the Corporation is satisfied—

- (a) that the position is unnecessary or can be filled by the transfer of another officer; or
- (b) that, in the circumstances, notification or further notification of the vacant position is desirable.

(8.) The powers of the Corporation under the last preceding sub-section may be exercised whether an appeal has been made or not.

**101.—**(1.) For the purposes of this Division, there shall be a Promotions Appeal Board.  
 Promotions Appeal Board.

(2.) The Promotions Appeal Board shall consist of—

- (a) a Chairman, who shall be appointed by the Governor-General;
- (b) an officer appointed by the Managing Director; and
- (c) an officer elected in the prescribed manner by the officers of the Service.

(3.) The Chairman of the Promotions Appeal Board shall hold office on such terms and conditions, and shall be paid by the Corporation such remuneration, as the Governor-General determines.

(4.) The officers' representative holds office for such period as is prescribed, but is eligible for re-election.

(5.) The officers of the Service may, in the prescribed manner, elect a deputy of the officers' representative and the deputy so elected holds office for such period as is prescribed, but is eligible for re-election.

(6.) A deputy so elected may, in the event of there being a vacancy in the office of officers' representative or of the officers' representative being absent (whether in pursuance of a direction given under the next succeeding sub-section or through illness or otherwise), attend and vote at meetings of the Promotions Appeal Board and, when so attending and voting at a meeting, shall, for the purposes of sub-section (8.) of this section, be deemed to be a member of the Promotions Appeal Board in lieu of the officers' representative.

(7.) Where the Chairman of the Promotions Appeal Board is of opinion that the officers' representative is personally interested in, or affected by, a question to be considered at a meeting of the Promotions Appeal Board, the Chairman may direct that the officers' representative shall absent himself from that meeting while that question is considered and decided.

(8.) Where, at a meeting of the Promotions Appeal Board, the members are divided in opinion on a question, that question shall be decided according to the decision of the majority.

(9.) In this section, "officers' representative" means the elected officer referred to in paragraph (c) of sub-section (2.) of this section.

*Division 4.—Tenure of Office.*

Tenure of  
office.

102.—(1.) An officer who has attained the age of sixty years is entitled to retire from the Service if the officer desires to do so, but may, subject to this Part, continue in the Service until he attains the age of sixty-five years.

(2.) If an officer continues in the Service after he has attained the age of sixty years, the officer may at any time before attaining the age of sixty-five years be retired by the Corporation from the Service.

(3.) An officer shall, on attaining the age of sixty-five years, be retired by the Corporation from the Service.

(4.) In this section, a reference to the age of sixty years shall, in the case of a female officer, be read as a reference to the age of fifty-five years and a reference to the age of sixty-five years shall, in the case of a female officer, be read as a reference to the age of sixty years.

**103.**—(1.) If, at any time, the Corporation finds that a greater number of officers is employed than is necessary for efficient working, an officer whom the Corporation finds to be in excess may be transferred to such other position of equal classification as the officer is competent to fill, and, if no such position is available, the officer may be transferred to a position of lower classification. Excess officers.

(2.) If no position is available for the officer, the Corporation may retire him from the Service.

(3.) An officer shall not be retired from the Service under this section unless he has been given at least one month's notice or is paid salary in lieu of notice.

**104.**—(1.) A married woman shall not be appointed to the Service except in special circumstances. Employment of married women.

(2.) A female officer shall cease to be an officer on her marriage unless the Corporation is satisfied that there are special circumstances which make it desirable that she should continue in the Service.

**105.** Unless the Corporation, in any particular case, otherwise directs, the appointment of an officer shall be on probation for a period not exceeding twelve months and the appointment may be terminated by the Corporation at any time during that period. Appointments to be on probation.

*Division 5.—Dismissals and Punishments.*

**106.**—(1.) If an officer appears to the Corporation to be inefficient or incompetent, or unfit to discharge or incapable of discharging the duties of his position, the Corporation may retire him from the Service or transfer him to some other position in the Service with salary appropriate to that other position. Retirement of inefficient, &c., officers.

(2.) An officer shall not be retired from the Service under this section unless he has been given at least one month's notice or is paid salary in lieu of notice.

**Dismissal for  
misconduct.**

**107.** The Corporation may dismiss an officer, or reduce his status or rate of pay, for misconduct.

**Appeals.**

**108.—(1.)** Where an officer is retired, transferred or dismissed, or his status or rate of pay is reduced, under either of the last two preceding sections, the officer may appeal to the Disciplinary Appeal Board.

(2.) The regulations may prescribe the manner in which, and the time within which, appeals may be made under this section.

(3.) The Disciplinary Appeal Board shall hear each appeal submitted to it under this section and may confirm, vary or set aside the decision of the Corporation.

(4.) The decision of the Disciplinary Appeal Board shall be final and the Corporation shall take such action as is necessary to give effect to the decision.

(5.) On the hearing of an appeal under this section, the Disciplinary Appeal Board may take evidence on oath.

**Disciplinary  
Appeal Board.**

**109.—(1.)** For the purposes of this Division, there shall be a Disciplinary Appeal Board.

(2.) The Disciplinary Appeal Board shall consist of—

- (a) a Chairman, who shall be appointed by the Governor-General;
- (b) an officer appointed by the Managing Director; and
- (c) an officer elected in the prescribed manner by the officers of the Service.

(3.) The Chairman of the Disciplinary Appeal Board shall hold office on such terms and conditions, and shall be paid by the Corporation such remuneration, as the Governor-General determines.

(4.) The officers' representative holds office for such period as is prescribed, but is eligible for re-election.

(5.) The officers of the Service may, in the prescribed manner, elect a deputy of the officers' representative and the deputy so elected holds office for such period as is prescribed, but is eligible for re-election.

(6.) A deputy so elected may, in the event of there being a vacancy in the office of officers' representative or of the officers' representative being absent (whether in pursuance of a direction under the next succeeding sub-section or through illness or otherwise), attend and vote at meetings of the Disciplinary Appeal Board, and, when so attending and voting at a meeting, shall, for the purposes of sub-section (8.) of this section, be deemed to be a member of the Disciplinary Appeal Board in lieu of the officers' representative.

(7.) Where the Chairman of the Disciplinary Appeal Board is of opinion that the officers' representative is personally interested in, or affected by, a question to be considered at a meeting of the Disciplinary Appeal Board, the Chairman may direct that the officers' representative shall absent himself from that meeting while that question is considered and decided.

(8.) Where, at a meeting of the Disciplinary Appeal Board, the members are divided in opinion on a question, that question shall be decided according to the decision of the majority.

(9.) In this section, "officers' representative" means the elected officer referred to in paragraph (c) of sub-section (2.) of this section.

*Division 6.—General.*

**110.—**(1.) There shall be a superannuation fund of the Corporation. Superannuation fund.

(2.) The Corporation may, with the approval of the Treasurer, make rules, not inconsistent with this Act or the regulations, for or in relation to the superannuation fund.

**111.—**(1.) Subject to this section, the Trading Bank, the Savings Bank or the Development Bank shall not lend money to an officer. Borrowing by officers.

(2.) The Trading Bank or the Savings Bank may lend money to an officer—

- (a) for the purchase, erection, alteration, renovation or enlargement of a home in which he resides or intends to reside; or
- (b) to discharge a mortgage, charge or encumbrance on such a home.

(3.) The Trading Bank may, where the Managing Director is satisfied that special circumstances exist, lend to an officer upon such terms and conditions as the Managing Director thinks fit, money not exceeding at any one time Five hundred pounds.

**112. Where—**

- (a) immediately before the commencement of a period during which a person has been continuously the holder of a statutory office or offices, that person was an officer of the Commonwealth Bank Service under the *Commonwealth Bank Act 1945–1953* or of the Commonwealth Banking Corporation Service; Officer appointed to a statutory office.

- (b) at the end of that period that person ceases to be the holder of a statutory office by reason of his resignation from that office or the expiration of the period for which he was appointed to that office and is not re-appointed or appointed to that office or any other statutory office; and
- (c) that person desires to be appointed to the Commonwealth Banking Corporation Service under this section,

the Corporation shall, if that person has not attained the age of sixty years at the end of that first-mentioned period, and may, if that person has attained that age but has not attained the age of sixty-five years at the end of that period, appoint that person to a position in the Commonwealth Banking Corporation Service of such status and salary as are determined by the Board having regard—

- (d) to the position in the Commonwealth Bank Service or the Commonwealth Banking Corporation Service, as the case may be, occupied by that person immediately before the commencement of that period; and
- (e) to—
  - (i) service by him as an officer of the Commonwealth Bank of Australia, or service by him in the Commonwealth Bank Service, under any repealed Act;
  - (ii) service by him in the Commonwealth Banking Corporation Service; and
  - (iii) service by him as the holder of a statutory office.

List of officers.

**113.—(1.)** The Corporation shall, from time to time and whenever the Treasurer so directs, prepare a list of all officers, together with particulars of the classification and salary of each officer, and shall circulate copies of the list among the officers.

(2.) The Corporation shall forward a copy of the list to the Treasurer for presentation to the Parliament.

#### PART IX.—MISCELLANEOUS.

Definition.

**114.** In this Part, “a body to which this Part applies” means the Corporation, the Trading Bank, the Savings Bank or the Development Bank.

Head offices.

**115.—(1.)** A body to which this Part applies shall have a head office, which shall be at Sydney in the State of New South Wales.

(2.) After the expiration of a reasonable time after the commencement of this Act, no such head office shall be in the same building as the head office of the Reserve Bank.

**116.** A body to which this Part applies may, by instrument under its seal, appoint a person (whether in Australia or in a place beyond Australia) to be its attorney and the person so appointed may, subject to the instrument, do any act or execute any power or function which he is authorized by the instrument to do or execute.

Appointment of attorneys.

**117.** The Commonwealth is responsible for the payment of all moneys due by a body to which this Part applies but nothing in this section authorizes a creditor or other person claiming against such a body to sue the Commonwealth in respect of his claim.

Guarantee by Commonwealth.

**118.** In determining the net profits of the Trading Bank, the Savings Bank or the Development Bank for the purposes of this Act, any amounts written off bank premises or provided for contingencies are subject to the approval of the Treasurer.

Determination of net profits.

**119.—(1.)** Subject to the next succeeding sub-section, a body to which this Part applies is not liable to taxation under any law of a State or of a Territory of the Commonwealth to which the Commonwealth is not subject and the income of a body to which this Part applies is not liable to income tax under a law of the Commonwealth.

Taxation.

(2.) The last preceding sub-section does not operate so as to exempt the income of the Trading Bank from liability to income tax under a law of the Commonwealth or of a Territory of the Commonwealth.

**120.—(1.)** The Auditor-General shall inspect and audit the accounts and records of financial transactions of a body to which this Part applies, and shall forthwith draw the Treasurer's attention to any irregularity revealed by the inspection and audit that, in the opinion of the Auditor-General, is of sufficient importance to justify his so doing.

Audit.

(2.) The Auditor-General shall, at least once in each year, report to the Treasurer the results of the inspection and audit carried out under the last preceding sub-section.

(3.) The Auditor-General or an officer authorized by him is entitled at all reasonable times to full and free access to all accounts, records, documents and papers of a body to which this Part applies relating directly or indirectly to the receipt or payment of moneys by that body or to the acquisition, receipt, custody or disposal of property of the body.



(4.) The Auditor-General or an officer authorized by him may make copies of or take extracts from any such accounts, records, documents or papers.

(5.) The Auditor-General or an officer authorized by him may require a prescribed person to furnish him with such information in the possession of the prescribed person or to which the prescribed person has access as the Auditor-General or authorized officer considers necessary for the purposes of an inspection or audit under this Act, and the prescribed person shall comply with the requirement.

(6.) In this section, "prescribed person" means the Managing Director, the Deputy Managing Director or other member of the Board, the General Manager of the Trading Bank, of the Savings Bank or of the Development Bank or an officer of the Commonwealth Banking Corporation Service.

Annual reports  
and financial  
statements.

**121.**—(1.) The Board shall, as soon as practicable after each thirtieth day of June, in respect of each body to which this Part applies, prepare—

- (a) a report on the operations of that body during the year ending on that day; and
- (b) financial statements, in accordance with the prescribed forms, in respect of that year,

and furnish that report and those statements, together with a report of the Auditor-General upon those statements, to the Treasurer.

(2.) The Auditor-General, in his report upon the financial statements prepared in pursuance of the last preceding subsection in respect of a body to which this Part applies—

- (a) shall report whether the statements are in agreement with the accounts and records of that body and show fairly the financial operations and the state of the affairs of the body; and
- (b) shall report on such other matters arising out of the statements as the Auditor-General considers should be made known to the Parliament.

(3.) The Board shall transmit true copies of each report and financial statement prepared in pursuance of sub-section (1.) of this section, and of the report of the Auditor-General upon each such statement, to the President of the Senate and to the Speaker of the House of Representatives to be laid before the Senate and the House of Representatives respectively.

**122.** A body to which this Part applies shall furnish to the Treasurer such periodical statements as are prescribed. Returns.

**123.** Where the Trading Bank, the Savings Bank or the Development Bank holds any property (whether real or personal) or business as security for a loan or advance, and the property or business falls into the hands of the Trading Bank, the Savings Bank or the Development Bank, the Trading Bank, the Savings Bank or the Development Bank may maintain, repair or improve the property, or carry on the business, until the Trading Bank, the Savings Bank or the Development Bank can, in its discretion, dispose of the property or business in the best interests of the Trading Bank, the Savings Bank or the Development Bank. Power to improve property and carry on business.

**124.—(1.)** Contracts on behalf of a body to which this Part applies may be made, varied or discharged in accordance with the succeeding provisions of this section, and all contracts so made are effectual in law, and are binding upon that body and on all other parties to the contract, their heirs, assigns, executors or administrators, as the case may be. Execution of contracts.

(2.) A contract which, if made between private persons, would be by law required to be in writing under seal may be made, varied or discharged, in the name and on behalf of a body to which this Part applies, in writing under the seal of that body.

(3.) A contract which, if made between private persons, would be by law required to be in writing and signed by the parties to be charged therewith may be made, varied or discharged, in the name and on behalf of a body to which this Part applies, in writing signed by any person acting under the express or implied authority of that body.

(4.) A contract which, if made between private persons, would by law be valid, although made by parol only and not reduced into writing, may be made, varied or discharged by parol, in the name and on behalf of a body to which this Part applies, by a person acting under the express or implied authority of that body.

(5.) Nothing in this section invalidates a contract executed on behalf of a body to which this Part applies by a duly appointed attorney if the contract would be valid if executed by the attorney on his own behalf.

**125.** All courts, judges and persons acting judicially shall take judicial notice of the seal of a body to which this Part applies affixed to a document and shall presume that it was duly affixed. Judicial notice of seals.

Investment of  
trust moneys.

**126.** A trustee, executor or administrator may invest any trust moneys in his hands on deposit with the Trading Bank, the Savings Bank or the Development Bank.

Validity of  
acts and  
transactions.

**127.** The validity of an act or transaction of a body to which this Part applies shall not be called in question in any legal proceedings on the ground that any provision of this Act has not been complied with.

Preservation of  
rights.

**128.** Where the holder of a statutory office or an officer was, immediately before his appointment under this Act or under a repealed Act, an officer of the Public Service of the Commonwealth—

- (a) he retains his existing and accruing rights;
- (b) his service under this Act and under any repealed Act shall, for the purpose of determining those rights, be taken into account as if it were service in the Public Service of the Commonwealth; and
- (c) the *Officers' Rights Declaration Act 1928-1959* applies as if this Act and this section had been specified in the Schedule to that Act.

Regulations.

**129.** The Governor-General may make regulations, not inconsistent with this Act, prescribing all matters which by this Act are required or permitted to be prescribed, or which are necessary or convenient to be prescribed for carrying out or giving effect to this Act or for the conduct of business by the Corporation, the Trading Bank, the Savings Bank or the Development Bank and, in particular—

- (a) relating to the deposit of money with, or the withdrawal of money from, the Savings Bank;
- (b) relating to the calculation of interest on deposits with the Savings Bank;
- (c) relating to—
  - (i) the payment out of moneys to the credit of a deceased depositor; and
  - (ii) the delivery of bonds or securities held on behalf of a deceased person, without production of probate of his will or of letters of administration of his estate;
- (d) relating to the payment out of money to the credit of a person under a legal incapacity; and
- (e) prescribing penalties not exceeding Fifty pounds for offences against the regulations.