

COMMONWEALTH BANK.

No. 13 of 1945.

An Act relating to the Commonwealth Bank of Australia and the Commonwealth Savings Bank of Australia, and for other purposes.

[Assented to 3rd August, 1945.]

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

PART I.—PRELIMINARY.

- Short title.** 1. This Act may be cited as the *Commonwealth Bank Act 1945*.
- Commencement.** 2. The several Parts of this Act shall commence on such dates as are respectively fixed by Proclamation.
- Parts.** 3. This Act is divided into Parts, as follows :—
- Part I.—Preliminary.
 - Part II.—Constitution of the Commonwealth Bank.
 - Part III.—Central Banking.
 - Part IV.—General Banking Business.
 - Part V.—Management of the Commonwealth Bank.
 - Division 1.—The Governor and Deputy Governor.
 - Division 2.—The Advisory Council.
 - Part VI.—Miscellaneous provisions relating to the Commonwealth Bank.
 - Part VII.—Note Issue Department.
 - Division 1.—General.
 - Division 2.—Offences relating to Australian Notes.
 - Part VIII.—Rural Credits Department.
 - Part IX.—Mortgage Bank Department.
 - Part X.—Industrial Finance Department.
 - Part XI.—Housing Loans.
 - Division 1.—Preliminary.
 - Division 2.—Loans to Individuals.
 - Division 3.—Loans to Building Societies.

Part XII.—The Commonwealth Savings Bank.

Part XIII.—The Commonwealth Bank Service.

Division 1.—Appointments and Examinations.

Division 2.—Classification and Promotions.

Division 3.—Tenure of Office.

Division 4.—Dismissals and Punishments.

Division 5.—General.

Part XIV.—Miscellaneous.

4. The Acts specified in the First Schedule to this Act are repealed. Repeal.

5. 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;

“primary produce” means goods specified in the Second Schedule to this Act and includes such primary produce, and goods associated with the production of primary produce, as is prescribed;

“the Bank” or “the Commonwealth Bank” means the Commonwealth Bank of Australia established under the *Commonwealth Bank Act 1911-1943* and continued in existence under this Act, but does not include the Savings Bank;

“the Deputy Governor” means the Deputy Governor of the Bank;

“the Governor” means the Governor of the Bank;

“the Savings Bank” or “the Commonwealth Savings Bank” means the Commonwealth Savings Bank of Australia established under the *Commonwealth Bank Act 1911-1943* and continued in existence under this Act.

6. This Act shall extend to all the Territories of the Commonwealth.

Application
to Territories.

PART II.—CONSTITUTION OF THE COMMONWEALTH BANK.

7. Notwithstanding the repeal effected by section four of this Act, the Commonwealth Bank of Australia established under the *Commonwealth Bank Act 1911-1943*—

The
Commonwealth
Bank.

(a) shall be preserved and continue in existence under and subject to the provisions of this Act, so that the corporate identity of the Commonwealth Bank of Australia shall not be affected; and

(b) shall continue to be a body corporate with perpetual succession and a common seal, and shall continue to have power to hold land, and to sue or be sued in its corporate name.

General functions of Commonwealth Bank.

8. It shall be the duty of the Commonwealth Bank, within the limits of its powers, to pursue a monetary and banking policy directed to the greatest advantage of the people of Australia, and to exercise its powers under this Act and the *Banking Act* 1945 in such a manner as, in the opinion of the Bank, will best contribute to—

- (a) the stability of the currency of Australia ;
- (b) the maintenance of full employment in Australia ; and
- (c) the economic prosperity and welfare of the people of Australia.

Differences of opinion between Government and Bank on questions of policy.

9.—(1.) The Bank shall, from time to time, inform the Treasurer of its monetary and banking policy.

(2.) In the event of any difference of opinion between the Bank and the Government as to whether the monetary and banking policy of the Bank is directed to the greatest advantage of the people of Australia, the Treasurer and the Bank shall endeavour to reach agreement.

(3.) If the Treasurer and the Bank are unable to reach agreement, the Treasurer may inform the Bank that the Government accepts responsibility for the adoption by the Bank of a policy in accordance with the opinion of the Government 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.

(4.) The Bank shall then give effect to that policy.

Bank guaranteed by Commonwealth.

10. The Commonwealth shall be responsible for the payment of all moneys due by the Bank but nothing in this section shall authorize any creditor or other person claiming against the Bank to sue the Commonwealth in respect of his claim.

PART III.—CENTRAL BANKING.

Commonwealth Bank to act as a central bank.

11. The Commonwealth Bank shall act as a central bank.

Commonwealth Bank to be banker for Commonwealth.

12. The Commonwealth Bank shall, in so far as the Commonwealth requires it to do so, act as banker and financial agent of the Commonwealth.

General powers.

13. The Commonwealth Bank shall have power to carry on the business of a central bank and shall, without limiting the generality of the foregoing, have power, in addition to any other powers conferred on it by this Act—

- (a) to regulate the note issue in accordance with Part VII. of this Act ;
- (b) to receive money on deposit ;
- (c) to borrow money ;
- (d) to lend money ;

- (e) to buy, sell, discount and re-discount bills of exchange, promissory notes and Treasury Bills ;
- (f) to buy and sell securities issued by the Government of the Commonwealth and other securities ;
- (g) to buy, sell and otherwise deal in foreign currency, specie, gold and other precious metals ;
- (h) to establish credits and give guarantees ;
- (i) to issue bills and drafts and effect transfers of money ;
- (j) to underwrite loans ;
- (k) to acquire and hold land on any tenure ; and
- (l) to do anything incidental to any of its powers.

14. The capital of the Commonwealth Bank for the purposes of this Part shall be the aggregate of— Capital.

- (a) the sum of Four million pounds, which shall be provided from the capital and Reserve Fund of the Commonwealth Bank as existing immediately prior to the commencement of this Part ; and
- (b) such other sums as are transferred from the Commonwealth Bank Reserve Fund in pursuance of the next succeeding section.

15.—(1.) The net profits of the Bank in each year arising from business carried on under this Part shall be dealt with as follows :— Profits and Reserve Fund.

- (a) one-quarter shall be placed to the credit of a fund to be called the Commonwealth Bank Reserve Fund ;
- (b) one-quarter shall be paid to the Mortgage Bank Department ; and
- (c) one-half shall be paid into the National Debt Sinking Fund.

(2.) When the capital of the Mortgage Bank Department has reached the sum of Four million pounds, any amount which, but for this sub-section, would be paid to that Department, shall be placed to the credit of the Commonwealth Bank Reserve Fund.

(3.) The Governor may, from time to time, transfer from the Commonwealth Bank Reserve Fund to the capital of the Bank such sums as he thinks fit.

16. The Bank shall publish, at least weekly, its telegraphic transfer rates of exchange for sterling expressed in terms of Australian money. Publication of sterling exchange rates.

PART IV.—GENERAL BANKING BUSINESS.

17.—(1.) The Commonwealth Bank shall carry on general banking business. Commonwealth Bank to carry on general banking business.

(2.) The Bank shall have such powers as are necessary for the purpose of carrying on general banking business and shall, without limiting the generality of the foregoing, have all the powers referred to in paragraphs (b) to (l) (inclusive) of section thirteen of this Act.

(3.) The Bank shall carry on its general banking business in a division of the Bank to be known as the General Banking Division.

(4.) The Bank shall keep the accounts and transactions of the General Banking Division separate and distinct from the other accounts and transactions of the Bank.

Bank to develop its general banking business.

18.—(1.) It shall be the duty of the Bank, through the General Banking Division, to develop and expand its general banking business.

(2.) The Bank, through the General Banking Division, shall not refuse to conduct banking business for any person, by reason only of the fact that to conduct that business would have the effect of taking away business from another bank.

Capital

19. The capital of the General Banking Division shall be the aggregate of—

(a) the sum of Four million pounds, which shall be provided from the capital and Reserve Fund of the Commonwealth Bank as existing immediately prior to the commencement of this Part; and

(b) such other sums as are transferred from the General Banking Division Reserve Fund in pursuance of the next succeeding section.

Profits and Reserve Fund.

20.—(1.) The net profits of the General Banking Division in each year shall be dealt with as follows:—

(a) one-half shall be placed to the credit of a fund to be called the General Banking Division Reserve Fund; and

(b) one-half shall be paid into the National Debt Sinking Fund.

(2.) The Governor may, from time to time, transfer from the General Banking Division Reserve Fund to the capital of the General Banking Division such sums as he thinks fit.

Receipts and expenditure.

21. The Governor may allot to the General Banking Division such portion of the general receipts and expenditure of the Bank as, in his opinion, is referable to that Division.

Certain accounts not to be kept in General Banking Division

22. The Special Accounts established by banks under Division 3 of Part II. of the *Banking Act* 1945, and the accounts established by banks for the purposes of section fifty-two of the *Banking Act* 1945, shall not be kept in the General Banking Division.

PART V.—MANAGEMENT OF THE COMMONWEALTH BANK.

Division 1.—The Governor and Deputy Governor.

Governor and Deputy Governor.

23.—(1.) There shall be a Governor and a Deputy Governor of the Bank, who shall be appointed by the Governor-General, and shall hold office during good behaviour for a period not exceeding seven years but shall be eligible for re-appointment.

(2.) The persons holding office as Governor and Deputy Governor of the Bank immediately prior to the commencement of this Part shall, subject to this Part, continue to hold office for the remainder of their respective periods of appointment.

(3.) The Governor and Deputy Governor shall be paid such salary and allowances as the Governor-General determines.

24. The Governor or the Deputy Governor shall be deemed to have vacated his office if—

Vacation of office of Governor and Deputy Governor in certain circumstances.

- (a) he engages in any paid employment outside the duties of his office ;
- (b) he becomes bankrupt or insolvent, 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 ; or
- (c) he becomes permanently incapable of performing his duties.

25. The Bank shall be managed by the Governor.

Bank to be managed by Governor.

26. The Deputy Governor shall perform such duties as the Governor directs.

Duties of Deputy Governor.

27. In the event of a vacancy in the office of Governor, the Deputy Governor shall perform the duties of the Governor and shall have and may exercise the powers and functions of the Governor.

Deputy Governor to act when no Governor.

28. The Secretary to the Department of the Treasury and the Governor shall establish a close liaison with each other and shall keep each other fully informed on all matters which jointly concern the Department of the Treasury and the Bank.

Treasury and Commonwealth Bank to establish liaison.

Division 2.—The Advisory Council.

29.—(1.) There shall be an Advisory Council to advise the Governor with respect to the monetary and banking policy of the Bank, and with respect to such other matters as the Governor refers to the Advisory Council.

Advisory Council.

(2.) The Advisory Council shall consist of—

- (a) the Secretary to the Department of the Treasury ;
- (b) the Deputy Governor ;
- (c) an additional representative of the Department of the Treasury, who shall be an officer of the Public Service of the Commonwealth and shall be appointed by the Governor-General ; and
- (d) two officers of the Bank, who shall be appointed by the Treasurer, on the recommendation of the Governor.

(3.) Each of the members of the Advisory Council referred to in paragraphs (c) and (d) of the last preceding sub-section shall be appointed for a term not exceeding three years but shall be eligible for re-appointment.

(4.) In the event of a member of the Advisory Council referred to in paragraph (c) or (d) of sub-section (2.) of this section ceasing to be an officer of the Public Service of the Commonwealth or of the Bank, as the case may be, he shall cease to be a member of the Advisory Council.

(5.) Each of the members of the Advisory Council referred to in paragraphs (a) and (c) of sub-section (2.) of this section shall be paid an allowance by the Bank at the rate of Six hundred pounds per annum.

Governor to preside at meetings of Council.

30. The Governor shall attend and preside at all meetings of the Advisory Council but shall not be entitled to vote and shall not be counted for the purposes of a quorum.

Quorum of Council.

31. Three members of the Advisory Council shall form a quorum.

Meetings of Council.

32. The Advisory Council shall meet at least once in each month.

PART VI.—MISCELLANEOUS PROVISIONS RELATING TO THE COMMONWEALTH BANK.

Head Office.

33. The head office of the Commonwealth Bank shall be at Sydney in the State of New South Wales.

Establishment of branches and agencies.

34. The Bank may establish branches and agencies at such places, whether within or beyond Australia, as the Bank thinks fit.

Agents.

35. The Bank may arrange with any person to act as agent of the Bank in any place whether within or beyond Australia.

Bank may act as agent.

36. The Bank may act as the agent of any bank carrying on business within or beyond Australia.

Attorney of Bank.

37. The Bank may, by instrument under its common seal, appoint any person (whether in Australia or in a place beyond Australia) to be an attorney of the Bank, and any 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.

Amalgamation of other banks with Commonwealth Bank.

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

PART VII.—NOTE ISSUE DEPARTMENT.

Division 1.—General.

Definitions.

39. In this Part, unless the contrary intention appears—

“Australian note” means a note issued in pursuance of the *Australian Notes Act 1910–1914*, in pursuance of Part VII. of the *Commonwealth Bank Act 1911–1943* or in pursuance of this Part ;

“constable” includes any member of the police force of the Commonwealth or of a State or Territory of the Commonwealth and any Peace Officer appointed under the *Peace Officers Act 1925* ;

“ the Note Issue Department ” means the Note Issue Department of the Commonwealth Bank established in pursuance of this Part.

40.—(1.) For the purposes of this Part, there shall be a Note Issue Department of the Bank.

Establishment of Note Issue Department.

(2.) The Bank shall keep the accounts and transactions of the Note Issue Department separate and distinct from the other accounts and transactions of the Bank.

41.—(1.) Subject to this Act, the Bank may, through the Note Issue Department—

Issue, re-issue and cancellation of notes.

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

(2.) Australian notes shall be printed by, or under the authority of, the Bank.

42. Australian notes may be issued in any of the following denominations, namely, Five shillings, Ten shillings, One pound, Five pounds, Ten pounds or any multiple of Ten pounds.

Denomination of notes.

43. Australian notes shall be a legal tender throughout Australia.

Notes to be legal tender.

44.—(1.) Australian notes issued in pursuance of this Part shall bear the signature of the Secretary to the Department of the Treasury or of such other officer of the Department of the Treasury as the Treasurer directs, and the signature of the Governor or of such officer of the Bank as the Governor directs.

Signature on notes.

(2.) The signatures may be made in the hand-writing of those persons or may be made by engraving or any other process determined by the Bank.

45. The assets of the Note Issue Department (in so far as they do not consist of land, plant, equipment, stores and the like) shall be held or invested—

Investment of assets of Note Issue Department.

- (a) in gold ;
- (b) on deposit with any bank ; or
- (c) in securities of the Government of the United Kingdom or of the Commonwealth or a State.

46. The amount which, immediately prior to the commencement of this Part, was standing to the credit of the special reserve account referred to in sub-section (4.) of section one hundred and nine of the *Commonwealth Bank Act 1911-1943* shall, subject to this Act, continue to be held in a special reserve account in the Note Issue Department, but shall be available, from time to time, as the Governor determines, for the purpose of preserving the external value of the Australian currency and for the purposes of the Note Issue Department.

Special reserve.

Disposal of profits.

47. The profits derived in each year from the issue of Australian notes (after payment of the working expenses of the Note Issue Department and after payment to the Bank of a commission at a rate approved by the Governor-General) shall be applied—

(a) in making payments to the Mortgage Bank Department at the rate of One hundred and fifty thousand pounds per annum, but no payment shall be made under this paragraph of an amount which would have the effect of increasing the capital of that Department to more than Four million pounds; and

(b) in the payment of the balance to the Commonwealth.

Monthly statement of notes issued

48.—(1.) As soon as practicable after the last Monday in each month, an officer appointed for the purpose by the Governor shall prepare and sign a statement showing, as at the close of business on that day, the number and amount of Australian notes on issue.

(2.) In preparing any such statement, notes of a denomination not exceeding One pound which have been on issue for more than twenty years, and notes of a denomination exceeding One pound which have been on issue for more than forty years, shall not be included.

(3.) Every such statement shall be countersigned by the Governor or Deputy Governor, shall be forwarded to the Treasurer and shall be published in the *Gazette*.

Banks to furnish returns of notes held

49. Every bank shall, as soon as practicable, furnish to the Bank at its head office a return in accordance with the prescribed form showing the amount of Australian notes held by that bank as at the close of business on Monday in each week.

Penalty : One hundred pounds.

Commonwealth Bank not to issue bank notes.

50. The Bank shall not issue bills or notes (other than Australian notes) intended for circulation as money.

Other persons not to issue bank notes.

51. A person (including a State) shall not issue a bill or note for the payment of money payable to bearer on demand and intended for circulation.

Penalty : Five hundred pounds.

Reference to Monday.

52. The regulations may provide that any reference in this Division to Monday shall be read as a reference to such other day as is prescribed.

Division 2.—Offences relating to Australian Notes.

Definition.

53. In this Division, "form of any Australian note" means any form of an Australian note, not being a genuine Australian note, intended or likely to pass for an Australian note and includes any part of any such form.

54. A person shall not, with intent to defraud, forge, or utter knowing it to be forged, any Australian note. Forging or uttering notes.

Penalty : Imprisonment for fourteen years.

55. A person shall not, without lawful excuse, have in his possession any forged Australian note. Possession of forged notes.

Penalty : Imprisonment for four years.

56. A person shall not, without the authority of the Bank, make or have in his possession— Making, &c., of false forms.

(a) any form of any Australian note ;

(b) any instrument or thing which may be used in making any form of any Australian note.

Penalty : Imprisonment for four years.

57. A person shall not, with intent to defraud, alter the amount of any Australian note. Alteration of notes forbidden.

Penalty : Imprisonment for eight years.

58.—(1.) A person shall not, without the authority of the Bank make or have in his possession— Copying of notes forbidden.

(a) any copy of an Australian note ; or

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

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

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

(3.) In this section, the expression “copy of an Australian note” includes any representation or negative of an Australian note or part of an Australian note in any size or scale and any copy of an Australian note or part of an Australian note in any size or scale.

59. A person shall not—

(a) wilfully deface, disfigure or mutilate any Australian note ;

(b) make on, or attach to, any Australian note any advertisement ;
or

(c) design, make, issue or circulate any advertisement which is in the form of, resembles, or is apparently intended to resemble, any Australian note or part of any Australian note.

Penalty : Twenty pounds.

60.—(1.) Any form of any Australian note, and any instrument or thing which may be used in making any form of any Australian note shall, if made by or in the possession of any person without the authority of the Bank, be forfeited to the Commonwealth. Forfeiture of illicit forms.

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

(3.) A court of summary jurisdiction may, after such notice (if any) and to such person (if any) as it thinks fit to direct, order any article seized in pursuance of this section or the next succeeding section to be condemned or to be returned to the person from whom it was seized.

(4.) Any article condemned in pursuance of this section shall be dealt with as the Treasurer directs and, pending his direction, may be detained in such custody as the court directs.

Search
warrants.

61.—(1.) If a justice of the peace is satisfied by information made on oath by any constable that the constable has reasonable ground to believe that any article forfeited under the last preceding section is in any building or place, the justice of the peace may grant a search warrant authorizing any constable named in the warrant, with such assistance as he thinks necessary, to enter and search the building or place mentioned in the warrant, and for that purpose the constable may break open any part of the building or place and break open any article in the building or place and may seize and take away any article which he has reasonable ground to believe is forfeited under the last preceding section and shall bring it before a court of summary jurisdiction.

(2.) The laws of the State or Territory of the Commonwealth in which any such search warrant is granted shall, so far as applicable, apply to that search warrant.

Counterfeit
notes to be
marked.

62. Every officer charged with the receipt or disbursement of public moneys and every officer of a bank shall stamp or write in plain letters the word "counterfeit", "altered" or "worthless" upon every counterfeit or forged note in the form of an Australian note which is presented to him at his place of business.

PART VIII.—RURAL CREDITS DEPARTMENT.

Establishment
of Department.

63.—(1.) For the purposes of this Part, there shall be a Rural Credits Department of the Bank.

(2.) The Bank shall keep the accounts and transactions of the Rural Credits Department separate and distinct from the other accounts and transactions of the Bank.

Capital of
Department.

64. The capital of the Rural Credits Department shall be Two million pounds, being the amount of the capital of the Rural Credits Department of the Commonwealth Bank immediately prior to the commencement of this Part.

Loans by
Treasurer.

65. The Treasurer may, from time to time, out of moneys legally available, lend to the Bank, for the purposes of the Rural Credits Department, such amounts, and subject to such terms and conditions,

as are agreed upon between the Treasurer and the Bank, but the total of the sums so lent and not repaid shall not at any time exceed Three million pounds.

66. The Bank may make advances to the Rural Credits Department of such amounts, and subject to such terms and conditions, as the Governor determines. Advances to Department by Bank.

67. Subject to this Part, advances may be made by the Bank, through the Rural Credits Department, upon the security of primary produce placed under the legal control of the Bank and upon such other security associated with the production or marketing of primary produce as the Bank thinks fit, to— Advances by Department.

(a) co-operative associations or marketing boards formed under the law of the Commonwealth or of a State or Territory of the Commonwealth ; and

(b) such bodies, whether corporate or unincorporate, formed under the law of the Commonwealth or of a State or Territory of the Commonwealth as are specified by Proclamation.

68. An advance under the last preceding section shall not be made for a period of more than one year. Period of advances.

69. In lieu of making advances in accordance with the provisions of this Part, the Bank may, through the Rural Credits Department, on behalf of any body specified in paragraph (a) or (b) of section sixty-seven of this Act, discount bills secured upon primary produce placed under the legal control of the Bank. Discounting of bills.

70. Except as expressly provided by this Act, the funds of the Bank shall not be used in the business of the Rural Credits Department. Funds of Bank not to be used except in accordance with this Act.

71. The net profits of the Rural Credits Department in each year shall be dealt with as follows :— Profits of Department.

(a) one-half shall be placed to the credit of a fund to be called the Rural Credits Department Reserve Fund ; and

(b) one-half shall be placed to the credit of a fund to be called the Rural Credits Development Fund, which shall be used, in such manner as the Bank determines, for the promotion of primary production.

72. The Governor may allot to the Rural Credits Department such portion of the general receipts and expenditure of the Bank as, in his opinion, is referable to that Department. Bank's receipts and expenditure in relation to Department.

73. Any surplus funds in the Rural Credits Department may be invested in such manner as the Governor thinks fit. Investment of surplus funds.

74. Nothing in this Part shall be taken to limit the powers of the Bank under any other provisions of this Act. Part not to limit Bank's powers.

PART IX.—MORTGAGE BANK DEPARTMENT.

Establishment
of Mortgage
Bank
Department.

75.—(1.) For the purposes of this Part, there shall be a Mortgage Bank Department of the Bank.

(2.) The Bank shall keep the accounts and transactions of the Mortgage Bank Department separate and distinct from the other accounts and transactions of the Bank.

Capital of
Department.

76. The capital of the Mortgage Bank Department shall be Four million pounds, consisting of—

- (a) the amount of the capital of the Mortgage Bank Department of the Commonwealth Bank immediately prior to the commencement of this Part ;
- (b) the amounts paid to the Mortgage Bank Department from the net profits of the Bank ; and
- (c) the amounts paid to the Mortgage Bank Department from the profits derived from the issue of Australian notes.

Advances to
Department
by Bank and
Savings Bank.

77.—(1.) The Bank may make advances to the Mortgage Bank Department of such amounts, and subject to such terms and conditions, as the Governor determines, but so that the total amount of such advances not repaid shall not at any time exceed One million pounds.

(2.) The Savings Bank may make advances to the Bank, for use in the Mortgage Bank Department, of such amounts, and subject to such terms and conditions, as the Governor determines.

Funds of
Bank and
Savings Bank
not to be used
except in
accordance
with Act.
Advances by
Treasurer.

78. Except as expressly provided by this Act, the funds of the Bank or of the Savings Bank shall not be used in the business of the Mortgage Bank Department.

79.—(1.) The Treasurer may make advances to the Bank, for the purposes of the Mortgage Bank Department, of such amounts, and subject to such terms and conditions, as are agreed upon between the Treasurer and the Bank.

(2.) The Treasurer may from time to time, under the provisions of the *Commonwealth Inscribed Stock Act 1911-1943*, borrow money for the purpose of making advances to the Mortgage Bank Department under this section.

(3.) The Bank shall pay to the Treasurer half-yearly out of the funds of the Mortgage Bank Department interest on advances made in pursuance of this section and not repaid—

- (a) in the case of advances made from money borrowed under the last preceding sub-section—at the rate or rates equivalent to the effective rate or rates of interest payable by the Commonwealth on money so borrowed ; and
- (b) in any other case—at such rate as is agreed upon between the Treasurer and the Bank.

(4.) For the purposes of the last preceding sub-section, the effective rate or rates of interest payable by the Commonwealth on money borrowed in pursuance of sub-section (2.) of this section shall be such rate or rates as is or are certified in writing by the Auditor-General as being the effective rate or rates of interest payable by the Commonwealth on loans raised by the Treasurer out of which those advances were made, or on any conversion or renewal of any such loan.

80.—(1.) Subject to this Part, loans may be made by the Bank through the Mortgage Bank Department to any person engaged in farming, agricultural, horticultural, pastoral or grazing operations, or in such other form of primary production as the Bank thinks fit, upon the security of a mortgage to the Bank of an estate or interest in land in the Commonwealth owned by the borrower, where the land is used or is to be used primarily for farming, agricultural, horticultural, pastoral or grazing operations or in such other form of primary production as the Bank thinks fit.

Loans by
Department.

(2.) The estate or interest in land which may be the security for a mortgage to the Bank under the last preceding sub-section shall be—

- (a) an estate in fee-simple in land ;
- (b) any estate or interest in land held under any State Act relating to Crown lands ; or
- (c) any estate or interest in land held from the Crown or the Administration in any Territory being part of the Commonwealth.

(3.) A loan shall not be made under this section upon the security of a mortgage of any estate or interest in land which is subject to a prior mortgage or charge (other than a mortgage to the Bank to secure a loan made under this section or a statutory charge to the Commonwealth, to a State, to the Administration in any Territory being part of the Commonwealth, or to any 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.

(4.) Except to the extent that any money lent under this section is used to discharge a prior mortgage or charge, any money so lent shall be used by the borrower in connexion with his farming, agricultural, horticultural, pastoral or grazing operations, or in connexion with such other form of primary production as the Bank thinks fit, and where any money so lent is not used for any such purpose, the money lent, together with the interest on the money, shall, at the option of the Bank, become due and payable on demand, and, after the exercise of the option, interest shall accrue from day to day.

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

Terms and conditions of loans.

81. Subject to this Part, a loan made under this Part shall be on such terms and conditions as the Bank determines.

Period of loans.

82. A loan under this Part shall not be made for a period of less than five years or more than forty-one years.

Amount of loans.

83. The amount of any loan under this Part, or, if there are two or more such loans to any one person or to persons jointly, the aggregate amount of those loans, shall not exceed seventy per centum of the value (as determined by the Bank) of the estate or interest in land on which the loan or loans are secured, or Five thousand pounds, whichever is the less.

Loans repayable by periodical instalments.

84.—(1.) A mortgage given as security for repayment of a loan under this Part shall provide for the payment of equal half-yearly 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.

(2.) The amount of each such instalment shall be a sum equal to six months' interest on the original amount of the loan together with an amount not less than one-half of one per centum of the original amount of the loan.

Repayment of loans before maturity.

85.—(1.) A person indebted to the Bank in respect of a loan made under this Part 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 any such person may, at any time before the expiration of that period, but subject to compliance with such terms and conditions as the Bank thinks fit, repay the balance of the loan then outstanding.

(2.) A person indebted to the Bank in respect of a loan made under this Part may, at any time, pay to the Bank any portion of the loan (being not less than Ten pounds) and the 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.) Any payment made under sub-section (2.) of this section shall not affect the obligations of the person concerned to pay the instalments of principal and interest or other payments to be made under the mortgage.

(5.) The 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 shall not, during the currency of the loan, be entitled to receive from the 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 Bank under the mortgage, the Bank shall apply so much thereof as is necessary in payment of that amount and shall account to the mortgagor for any surplus.

86.—(1.) Where any estate or interest in land which is the subject of a mortgage given in respect of a loan under this Part is—

Provisions where mortgaged land transferred, &c.

(a) without the consent in writing of the Bank, transferred, conveyed, assigned, surrendered or otherwise dealt with or disposed of to ; or

(b) becomes by operation of law or otherwise vested in, any person other than the mortgagor, the balance of the loan then remaining unpaid shall, at the option of the 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 Bank under paragraph (a) of the last preceding sub-section may be either unconditional or subject to such conditions as the 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 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.

87. The net profits of the Mortgage Bank Department in each year shall be placed to the credit of a fund to be called the Mortgage Bank Department Reserve Fund.

Profits of Department.

88. The Governor may allot to the Mortgage Bank Department such portion of the general receipts and expenditure of the Bank as, in his opinion, is referable to that Department.

Bank's receipts and expenditure in relation to Department.

89. The Bank may enter into an agreement with any authority of a State or with any savings bank for the performance by the authority or savings bank of such of the functions of the Bank under this Part as are specified in the agreement.

Arrangements with State authorities.

90. Any surplus funds in the Mortgage Bank Department may be invested in such manner as the Governor thinks fit.

Investment of surplus funds.

91. Nothing in this Part shall be taken to limit the powers of the Bank under any other provisions of this Act.

Part not to limit Bank's powers.

PART X.—INDUSTRIAL FINANCE DEPARTMENT.

92.—(1.) For the purposes of this Part, there shall be an Industrial Finance Department of the Bank.

Establishment of Industrial Finance Department.

(2.) The Bank shall keep the accounts and transactions of the Industrial Finance Department separate and distinct from the other accounts and transactions of the Bank.

General
Manager of
Department.

93.—(1.) There shall be a General Manager of the Industrial Finance Department, who shall be appointed by the Governor-General and shall hold office during good behaviour for a period not exceeding seven years but shall be eligible for re-appointment.

(2.) The General Manager of the Industrial Finance Department shall be paid such salary and allowances as the Governor-General determines.

(3.) The General Manager of the Industrial Finance Department shall be deemed to have vacated his office if—

- (a) he engages in any paid employment outside the duties of his office ;
- (b) he becomes bankrupt or insolvent, 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 ; or
- (c) he becomes permanently incapable of performing his duties.

Management of
Department.

94. The General Manager of the Industrial Finance Department shall, under the Governor, manage that Department.

General
functions of
Department.

95. The functions of the Industrial Finance Department shall be—

- (a) to provide finance for the establishment and development of industrial undertakings, particularly small undertakings ;
- (b) to assist in the establishment and development of industrial undertakings ; and
- (c) to provide advice on the operations of industrial undertakings with a view to promoting the efficient organization and conduct thereof.

Powers of
Department.

96. The Bank shall have, and may exercise through the Industrial Finance Department, such powers as are necessary for the exercise of the functions of the Industrial Finance Department under the last preceding section and, without limiting the generality of the foregoing, may, through the Industrial Finance Department—

- (a) lend money ; and
- (b) purchase or otherwise acquire shares and securities and sell or otherwise dispose of shares and securities so purchased or acquired.

Capital of
Department.

97.—(1.) The capital of the Industrial Finance Department shall be Four million pounds, consisting of—

- (a) the sum of Two million pounds, which shall be transferred from the special reserve account referred to in section forty-six of this Act ; and
- (b) the sum of Two million pounds, which shall be transferred from the other funds of the Bank.

(2.) The sums referred to in the last preceding sub-section shall be transferred in such instalments as, in the opinion of the Governor, are necessary for the business of the Industrial Finance Department, but when any amount is transferred under either paragraph of the last preceding sub-section, an equal amount shall, at the same time, be transferred under the other paragraph.

98.—(1.) The Treasurer may make advances to the Bank, for the purposes of the Industrial Finance Department, of such amounts, and subject to such terms and conditions, as are agreed upon between the Treasurer and the Bank.

Advances by
Treasurer.

(2.) The Treasurer may from time to time, under the provisions of the *Commonwealth Inscribed Stock Act 1911–1943*, borrow money for the purpose of making advances to the Industrial Finance Department under this section.

(3.) The Bank shall pay to the Treasurer half-yearly out of the funds of the Industrial Finance Department interest on advances made in pursuance of this section and not repaid—

(a) in the case of advances made from money borrowed under the last preceding sub-section—at the rate or rates equivalent to the effective rate or rates of interest payable by the Commonwealth on money so borrowed; and

(b) in any other case—at such rate as is agreed upon between the Treasurer and the Bank.

(4.) For the purposes of the last preceding sub-section, the effective rate or rates of interest payable by the Commonwealth on money borrowed in pursuance of sub-section (2.) of this section shall be such rate or rates as is or are certified in writing by the Auditor-General as being the effective rate or rates of interest payable by the Commonwealth on loans raised by the Treasurer out of which those advances were made or on any conversion or renewal of any such loan.

99.—(1.) The Bank may make advances to the Industrial Finance Department of such amounts, and subject to such terms and conditions, as the Governor determines, but so that the total amount of those advances not repaid shall not at any time exceed One million pounds.

Advances to
Department by
Bank and
Savings Bank.

(2.) The Savings Bank may make advances to the Bank, for use in the Industrial Finance Department, of such amounts, and subject to such terms and conditions, as the Governor determines.

100. Except as expressly provided by this Act, the funds of the Bank or of the Savings Bank shall not be used in the business of the Industrial Finance Department.

Funds of Bank
and Savings
Bank not to
be used except
in accordance
with Act.

101.—(1.) The Bank shall not provide finance under this Part for the establishment or development of an industrial undertaking, unless the Bank is satisfied that the industrial undertaking has reasonable prospects of continuing to be, or of becoming, a profitable undertaking.

Circumstances
to be
considered in
providing
finance.

(2.) In determining whether or not finance shall be provided under this Part for the establishment or development of an industrial undertaking, the Bank shall have regard primarily to the prospects of the undertaking continuing to be, or becoming, a profitable undertaking and shall not necessarily have regard to the present value of the assets of the undertaking.

Terms and conditions.

102. Finance provided under this Part shall be provided on such terms and conditions as the Bank determines.

Provision of staff and expert advice.

103. For the purposes of the efficient operation of the Industrial Finance Department, the Bank shall—

- (a) employ officers adequately experienced in the financing, organization and conduct of industrial undertakings; and
- (b) obtain such expert advice as is necessary.

Profits of Department.

104. The net profits of the Industrial Finance Department in each year shall be placed to the credit of a fund to be called the Industrial Finance Department Reserve Fund.

Bank's receipts and expenditure in relation to Department.

105. The Governor may allot to the Industrial Finance Department such portion of the general receipts and expenditure of the Bank as, in his opinion, is referable to that Department.

Investment of surplus funds.

106. Any surplus funds in the Industrial Finance Department may be invested in such manner as the Governor thinks fit.

Part not to limit Bank's powers.

107. Nothing in this Part shall be taken to limit the powers of the Bank under any other provisions of this Act.

PART XI.—HOUSING LOANS.

Division 1.—Preliminary.

Housing loans.

108.—(1.) Subject to this Part, loans may be made by the Bank, through the General Banking Division, to individuals and to building societies, for the erection or purchase of homes or for the discharge of mortgages on homes.

(2.) In making such loans, the Bank shall give preference to loans for the erection of homes and for the purchase of newly erected homes.

Rates of interest.

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

Part not to limit Bank's powers.

110. Nothing in this Part shall be taken to limit the powers of the Bank under any other provisions of this Act.

Division 2.—Loans to Individuals.

Loans to individuals.

111. Loans to individuals shall be made, on *crédit foncier* terms, under and in accordance with the provisions of this Division.

Circumstances in which loans may be made.

112. A loan shall not be made under this Division unless the Bank is satisfied that the borrower is residing in the home, or will reside in the home within a reasonable time.

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

Loans to be made on mortgage.

(2.) A loan shall not be made under this Division upon the security of a mortgage of any 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 in any Territory of the Commonwealth, or to any 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 any 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 Bank, mortgage or charge the estate or interest in land upon the security of which the loan was made.

114. Subject to this Part, a loan made under this Division shall be on such terms and conditions as the Bank determines.

Terms and conditions of loans.

115. 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.

116. The amount of a loan under this Division shall not exceed eighty-five per centum of the value (as determined by the Bank) of the estate or interest in land on which the loan is secured, or One thousand two hundred and fifty pounds, whichever is the less.

Amount of loans.

117. 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 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.

118. The Bank may undertake the insurance of any home in respect of which a loan is made under this Division.

Power to insure homes.

119. The provisions of sections eighty-five and eighty-six of this Act shall apply in relation to a loan under this Division.

Application of certain provisions of Act.

Division 3.—Loans to Building Societies.

120. In this Division, "building society" means any building society specified by Proclamation as being a building society to which this Division applies and any building society included in a class of building societies specified by Proclamation as being a class of building societies to which this Division applies.

Definition.

121. Subject to this Part, loans to building societies shall be made on such security, and on such terms and conditions, as the Bank determines.

Terms and conditions of loans.

Amount of
loans.

122. Where a loan under this Division is made to a building society in respect of a home for the erection or purchase of which, or for the discharge of a mortgage on which, the building society has made a loan, the amount of the loan under this Division shall not exceed ninety per centum of the value (as determined by the Bank) of the estate or interest in land on which the loan made by the building society is secured.

PART XII.—THE COMMONWEALTH SAVINGS BANK.

Saving.

123. Notwithstanding the repeal effected by section four of this Act, the Commonwealth Savings Bank of Australia established under the *Commonwealth Bank Act 1911-1943*—

(a) shall be preserved and continue 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; and

(b) shall continue to be a body corporate with perpetual succession and a common seal, and shall continue to have power to hold land, and to sue or be sued in its corporate name.

General powers
of Savings
Bank.

124. The Savings Bank shall have power to carry on the general business of a savings bank and shall, without limiting the generality of the foregoing, have power, in addition to any other powers conferred on it by this Act—

(a) to receive money on deposit;

(b) to invest any money held by it in accordance with section one hundred and thirty-six of this Act;

(c) to acquire and hold land on any tenure; and

(d) to do anything incidental to any of its powers.

Amalgamation
of other savings
banks with
Commonwealth
Savings Bank.

125. The Savings Bank may, with the approval of the Treasurer, enter into an arrangement with the proper authority controlling any savings bank 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.

Guarantee by
Commonwealth.

126. The Commonwealth shall be responsible for the payment of all moneys due by the Savings Bank but nothing in this section shall authorize any creditor or other person claiming against the Savings Bank to sue the Commonwealth in respect of his claim.

Management.

127. The Savings Bank shall be managed by the Governor.

Officers.

128. The Bank shall make available to the Savings Bank the services of such officers of the Bank as are necessary for efficiently conducting the business of the Savings Bank.

- 129.** The Savings Bank may, by instrument under its common seal, appoint any person (whether in Australia or in a place beyond Australia) to be an attorney of the Savings Bank, and any 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. Attorney of Savings Bank.
- 130.** The head office of the Savings Bank shall be at Sydney in the State of New South Wales. Head Office.
- 131.** The Savings Bank may establish branches, agencies and sub-agencies at such places, whether within or beyond Australia, as the Savings Bank thinks fit. Establishment of branches and agencies.
- 132.** The Savings Bank may enter into arrangements for the carrying out of any portion of its business with a bank, a body corporate, or an authority established under the law of the Commonwealth or of a State or Territory of the Commonwealth, or with any other person. Savings Bank may enter into arrangements with other banks, &c.
- 133.** The Savings Bank may arrange with the Minister administering any Department of the Commonwealth for an officer of the Department to act as agent of the Savings Bank for the transaction of the business of the Savings Bank. Commonwealth officers may act as agents of Savings Bank.
- 134.** The Savings Bank shall reimburse the Bank the cost of services rendered by the Bank to the Savings Bank. Reimbursement of costs of Savings Bank.
- 135.** 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 a fund to be called the Savings Bank Reserve Fund ; and
 - (b) one-half shall be paid into the National Debt Sinking Fund.
- 136.** The Savings Bank may invest any money held by it— Investment of funds.
- (a) in any security issued by the Government of the Commonwealth or of a State, of the United Kingdom or of any other part of the King's dominions, or in any security issued or guaranteed by any authority constituted by or under any Act or State Act ;
 - (b) on loan on the security of land ;
 - (c) in advancing money for the erection of warehouses or storage facilities intended for the warehousing or storage of primary produce, including the erection of plant for treatment to ensure its preservation and treatment for marketing ;
 - (d) on deposit with the Commonwealth Bank ; and
 - (e) in any other prescribed manner.
- 137.** The Savings Bank may receive from any person, by way of deposit, any sum of money (which shall not, except as prescribed, be less than One shilling) and shall cause the amount of the money so received to be placed to the credit of that person or such other person as he appoints. Receipt of deposits.

Pass books.

138.—(1.) Where an account is opened at a branch of the Savings Bank, a pass book shall forthwith be issued to the depositor.

(2.) Where an account is opened at an agency or sub-agency of the Savings Bank, a pass book shall be issued to the depositor as soon as is practicable.

(3.) Every depositor's pass book shall be the property of the Savings Bank and shall be delivered to the Savings Bank when required by the Savings Bank.

Deposits to be made at office.

139. A depositor shall not have any claim against the Savings Bank in respect of any deposit unless the deposit was made at some branch, agency or sub-agency of the Savings Bank and during the hours during which the branch, agency or sub-agency was open for the receipt of deposits.

Interest on deposits.

140.—(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 Governor from time to time determines.

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

(3.) The Governor 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 Governor.

Calculation of interest.

141.—(1.) Interest on deposits shall be calculated once in each year up to the thirty-first day of May, and shall be carried to the credit of the accounts of the respective depositors not later than the fifteenth day of June in each year and shall thereupon become principal and shall, subject to any limitation on the amount on which interest is payable, bear interest as from the first day of June in the same year.

(2.) No fractional part of any month shall be taken into account in the calculation of interest nor shall interest less than One penny be carried to the credit of any account.

Withdrawals.

142.—(1.) Before any money standing to the credit of an account is withdrawn, the Savings Bank may require a withdrawal form to be presented to the Savings Bank, signed by the depositor or other person to whom the money is lawfully payable, and may also require the pass book to be presented to the Savings Bank.

(2.) The money withdrawn may be paid to the person presenting the withdrawal form, and, if that person is not the depositor or other person to whom the money is lawfully payable, the receipt of the money by the person presenting the withdrawal form shall, for all purposes, have the same effect as the receipt of the money by the depositor or other person to whom the money is lawfully payable.

(3.) A depositor shall only be entitled to withdraw money standing to his credit after the prescribed notice of withdrawal has been given by him to the Savings Bank.

143.—(1.) The Savings Bank may receive deposits from, or for the use or benefit of, any infant and the Savings Bank may pay to an infant, when and after he has attained the age of twelve years, or appears to the officer making the payment to have attained that age, any money standing to his credit in the Savings Bank, in the same manner and upon the same conditions as are applicable to other depositors, and the receipt of the money by the infant shall be a good discharge to the Savings Bank.

Deposits by
Infants.

(2.) Where the Savings Bank is satisfied that any money standing to the credit of an infant under the age of twelve years in the Savings Bank should, in the interests of the infant, be paid to his parent or guardian, the Savings Bank may make payment accordingly and the receipt of the money by the parent or guardian shall be a good discharge to the Savings Bank.

144. Every deposit in the name of a woman, whether made before or after her marriage, shall, as against her husband and any person claiming through or under him, be deemed to be her separate property and to belong to her in her own right as if she were unmarried.

Married
women's
deposits.

145.—(1.) The Savings Bank may receive deposits from any person (in this section referred to as "the trustee") who declares himself willing to act as trustee for any other person, whether that other person is under a disability or not, and the Savings Bank may pay any amount standing to the credit of the account to the trustee and the receipt of the money by the trustee shall be a good discharge to the Savings Bank.

Deposits by
trustees.

(2.) The Savings Bank may, if it thinks fit, require the consent of the beneficiary before any payment is made to the trustee.

(3.) A person, other than the trustee, shall not have any claim against the Savings Bank in respect of any money deposited under this section, but nothing in this section shall relieve the trustee from any liability to account for or apply the money in accordance with law.

146.—(1.) Where a person dies leaving any money deposited with the Savings Bank to an amount not exceeding Two hundred pounds and probate of his will or letters of administration of his estate are not produced to the Savings Bank, or notice in writing of the existence of a will and of intention to prove it or to take out letters of administration is not given to the Savings Bank within one month after the death of the depositor, the Savings Bank may, in its discretion apply the money—

Payment out of
deposits not
exceeding £200
on death of
depositor.

(a) in payment of the funeral expenses of the deceased depositor, or in reimbursing any person who has paid those expenses; and

(b) in payment of the balance to the widower or widow or some relation of the deceased depositor or to such other person as the Savings Bank in the circumstances thinks fit.

(2.) A person shall not have any claim against the Savings Bank in respect of anything done in pursuance of this section, but nothing in this section shall relieve the person receiving the money from any liability to account for or pay the money in accordance with law.

Payment on death of illegitimate depositor.

147. Where a person, being illegitimate, dies intestate leaving any money deposited with the Savings Bank, the Savings Bank may pay the money to the widower or widow or such natural relation of the deceased depositor as, in the opinion of the Savings Bank, has the best claim thereto, and the receipt of the money by the person to whom the payment is made shall be a good discharge to the Savings Bank.

Insanity or incapacity of depositor.

148. Where a person having any money deposited with the Savings Bank becomes insane or otherwise incapacitated, and his insanity or incapacity is proved to the satisfaction of the Savings Bank and the Savings Bank is satisfied as to the urgency of the case, the Savings Bank may pay the money standing to the credit of the depositor to such person as the Savings Bank thinks proper, and the receipt of the money by that person shall be a good discharge to the Savings Bank.

Deposits by societies.

149. The Savings Bank may receive deposits from any local authority, friendly society, co-operative society or any society, body or club (not being an incorporated or unincorporated company or other body engaged in or formed for the purpose of trading or acquiring pecuniary profit or other gain), and the receipt by the treasurer of the local authority, society, body or club, or by an officer of the local authority, society, body or club authorized in that behalf, of any money standing to the credit of the account, or the payment of any cheque drawn by the treasurer or by any such officer, shall be a good discharge to the Savings Bank.

Trading companies not to make deposits.

150. An incorporated or unincorporated company or other body engaged in or formed for the purpose of trading or acquiring pecuniary profit or other gain shall not be entitled to make any deposit with the Savings Bank.

Unclaimed deposits.

151.—(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.

(2.) The Savings Bank may, on being satisfied that any person is entitled to any 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 shall be a good discharge to the Savings Bank.

(3.) A list of the amounts of not less than Five pounds 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 shall cease to be claimable and shall 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.

152. 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, shall not be 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 XIII.—THE COMMONWEALTH BANK SERVICE.

Division 1.—Appointments and Examinations.

153.—(1.) The Bank shall appoint such officers as are necessary for the efficient conduct of the business of the Bank.

Appointment of officers.

(2.) The officers of the Bank shall constitute the Commonwealth Bank Service (in this Part referred to as "the Service of the Bank").

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

154. The Bank may appoint such temporary and casual employees as it thinks fit, on such terms and conditions as the Bank determines.

Temporary and casual employees.

155.—(1.) The officers and servants of the Bank holding office or employed by the Bank immediately prior to the commencement of this Part shall continue to hold office or be employed as if they had been appointed or employed under this Part.

Saving of existing appointments.

(2.) An officer of the Bank who retained all his existing and accruing rights under section thirty of the *Commonwealth Bank Act* 1911–1943 shall continue to retain those rights.

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

Requirements for appointment to Service of the Bank.

- (a) he is a British subject ;
- (b) the Bank is satisfied, upon such medical examination as is prescribed, as to his health and physical fitness ; and
- (c) he has in open competition passed a prescribed entrance examination.

(2.) The Bank 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 Bank enters into an arrangement under section thirty-eight of this Act, or the Savings Bank enters into an arrangement under section one hundred and twenty-five of this Act, the Bank may appoint to the Service of the Bank officers of the body corporate or savings bank with which the arrangement is made although they have not passed a prescribed entrance examination.

Admission to examinations.

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

Notice of examinations.

158. Adequate notice and particulars of each prescribed entrance examination shall be given by the Bank to the public by advertisements in the *Gazette* and in the daily newspapers.

Separate examinations may be held in each State.

159. Separate entrance examinations may be held in each State.

Appointments to be made in order of merit.

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

(2.) Nothing in the last preceding sub-section shall require the Bank to appoint a person—

(a) who has previously refused appointment ; or

(b) who passed the prescribed entrance examination more than twelve months previously.

Appointment of person without examination.

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

(2.) No such appointment shall be made unless the Governor certifies that, in his opinion, there is no officer available in the Service of the Bank 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 2.—Classification and Promotions.

Classification

162.—(1.) As soon as practicable after the commencement of this Part, the Bank shall classify the positions in the Service of the Bank and shall determine the salary, or the range of salary, applicable to each position.

(2.) The classification of each position, the name of the officer occupying the position and the salary of the officer shall be made known to the officers of the Bank in the prescribed manner.

(3.) A statement showing the classification of each position, the name of the officer occupying the position and the salary of the officer shall be forwarded to the Treasurer, for presentation to the Parliament.

Creation and abolition of positions.

163. The Bank may create any position in the Service of the Bank and may abolish any such position.

Reclassification.

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

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

165.—(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.

Selection of
officers for
promotion.

(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 Bank, the officer would have attained but for his absence on war service; and

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

166.—(1.) The promotion of an officer to a vacant position shall be provisional and without increased salary pending confirmation of the promotion, and shall be notified in the prescribed manner, and shall be subject to appeal as provided by this section.

Appeals
against
promotions.

(2.) Any 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 any such 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 where no appeal is lodged within the prescribed time, the provisional promotion shall be confirmed.

(7.) Notwithstanding anything contained in this section, the Bank 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 Bank is satisfied that the position is unnecessary or can be filled by the transfer of another officer, or that in the circumstances notification or further notification of the vacant position is desirable.

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

167.—(1.) For the purposes of this Division, there shall be an Appeal Board (in this Act referred to as “the 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 and shall hold office on such terms and conditions as the Governor-General determines ;
- (b) an officer appointed by the Governor ; and
- (c) an officer elected by the officers of the Bank in the prescribed manner, in this section referred to as the “officers’ representative”.

(3.) The officers’ representative shall hold office for such period as is prescribed but shall be eligible for re-election.

(4.) The officers of the Bank may, in the prescribed manner, elect a deputy of the officers’ representative and the deputy so elected shall hold office for such period as is prescribed but shall be eligible for re-election.

(5.) A deputy so elected may, in the event of there being a vacancy in the office of officers’ representative, or in the event of the absence of the officers’ representative (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 (7.) of this section, be deemed to be a member of the Promotions Appeal Board in lieu of the officers’ representative.

(6.) Where the Chairman of the Promotions Appeal Board is of opinion that the officers’ representative is personally interested in, or affected by, any 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.

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

Division 3.—Tenure of Office.

Tenure of
office.

168.—(1.) Every officer who has attained the age of sixty years (or, in the case of a female officer, fifty-five years) shall be entitled to retire from the Service of the Bank if the officer desires to do so, but any such officer may, subject to this Part, continue in the Service of the Bank until he attains the age of sixty-five years (or, in the case of a female officer, sixty years).

(2.) If any officer continues in the Service of the Bank after he has attained the age of sixty years (or, in the case of a female officer, fifty-five years), the officer may at any time before attaining the age of sixty-five years (or, in the case of a female officer, sixty years) be retired by the Bank from the Service of the Bank.

(3.) Every officer shall, on attaining the age of sixty-five years (or, in the case of a female officer, sixty years), be retired by the Bank from the Service of the Bank.

169.—(1.) If at any time the Bank finds that a greater number of officers is employed than is necessary for efficient working, any officer whom the Bank finds is 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 Bank may retire him from the Service of the Bank.

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

170.—(1.) A married woman shall not be appointed to the Service of the Bank except in special cases.

Employment of married women.

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

171. Unless the Bank, in any particular case, otherwise directs, the appointment of every officer shall be on probation for a period not exceeding twelve months and the appointment may be terminated by the Bank at any time during that period.

Appointments to be on probation.

Division 4.—Dismissals and Punishments.

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

Retirement of inefficient, &c., officers.

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

173. The Bank may dismiss an officer, or reduce his status or rate of pay, for incapacity or misconduct.

Dismissal for misconduct.

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

Appeals.

(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 Bank.

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

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

Disciplinary
Appeal Board.

175.—(1.) For the purposes of this Division, there shall be a Board (in this Act referred to as “the Disciplinary Appeal Board”).

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

- (a) a Chairman, who shall be appointed by the Governor-General and shall hold office on such terms and conditions as the Governor-General determines ;
- (b) an officer appointed by the Governor ; and
- (c) an officer elected by the officers of the Bank in the prescribed manner, in this section referred to as the “officers’ representative”.

(3.) The Chairman of the Disciplinary Appeal Board shall be a person who is or has been a Police, Stipendiary or Special Magistrate of a State or Territory of the Commonwealth.

(4.) The officers’ representative shall hold office for such period as is prescribed but shall be eligible for re-election.

(5.) The officers of the Bank may, in the prescribed manner, elect a deputy of the officers’ representative and the deputy so elected shall hold office for such period as is prescribed but shall be 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 in the event of the absence of the officers’ representative (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, any 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 any meeting of the Disciplinary Appeal Board, the members are divided in opinion on any question, that question shall be decided according to the decision of the majority.

Division 5.—General.

Superannuation
fund.

176.—(1.) The Governor may, with the approval of the Treasurer, make rules, not inconsistent with this Act or the regulations, providing for a superannuation fund of the Bank.

(2.) The superannuation fund of the Bank existing immediately prior to the commencement of this section shall form part of the superannuation fund provided for by the rules under this section.

Borrowing from
Bank by
officers.

177.—(1.) Subject to this section, an officer shall not borrow money from the Bank or from the Savings Bank.

(2.) An officer may borrow money from the Bank for the purchase, erection, alteration, renovation or enlargement of a home in which he resides or intends to reside, or to discharge any mortgage, charge or encumbrance on any such home.

(3.) The Bank may, where the Governor is satisfied that special circumstances exist, lend to an officer upon such terms and conditions as the Governor thinks fit, money not exceeding at any one time Two hundred and fifty pounds and an officer may borrow money from the Bank accordingly.

178.—(1.) The Bank shall, as soon as practicable after the thirtieth day of June in each year, prepare a list of all officers in the Service of the Bank on that date, together with particulars of the classification and salary of each officer, and shall circulate copies of the list among the officers of the Bank in the prescribed manner.

List of officers.

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

179. In this Part, unless the contrary intention appears, “ officer ” or “ officer of the Bank ” means an officer in the Service of the Bank.

Definition.

PART XIV.—MISCELLANEOUS.

180.—(1.) The Governor shall, once in each year, prepare a balance-sheet of the Bank, of the General Banking Division, of each department of the Bank, and of the Savings Bank, and shall submit them to the Auditor-General for report as to their correctness or otherwise, and shall transmit them, together with the reports of the Auditor-General, to the Treasurer.

Balance-sheets.

(2.) The Governor shall also transmit true copies of the balance-sheets and reports 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.

(3.) Balance-sheets under this section shall be prepared in accordance with the prescribed forms.

181. The Bank and the Savings Bank shall furnish to the Treasurer such periodical statements as are prescribed.

Returns.

182.—(1.) The affairs of the Bank and of the Savings Bank shall be subject to inspection and audit by the Auditor-General.

Audit.

(2.) The inspection and audit shall be conducted not less often than yearly and the Auditor-General shall report to the Treasurer the result of each inspection and audit.

183. The property, income and operations of the Bank and of the Savings Bank shall not be liable, and shall be deemed never to have been liable, to income tax or land tax under any law of the Commonwealth, or to taxation under any law of a State to which the Commonwealth is not subject.

Bank not subject to taxation.

184. Where the Bank or the Savings Bank holds any property (whether real or personal) or business as security for any loan or advance, and the property or business falls into the hands of the

Power to improve property and carry on business.

Bank or Savings Bank, the Bank or Savings Bank may maintain, repair or improve the property, or carry on the business, until the Bank or the Savings Bank can, in its discretion, dispose of the property or business in the best interests of the Bank or Savings Bank.

Execution of
contracts.

185.—(1.) Contracts on behalf of the Bank or of the Savings Bank may be made, varied or discharged in accordance with the succeeding provisions of this section and all contracts so made shall be effectual in law, and shall be binding upon the Bank or the Savings Bank and on all other parties to the contract, their heirs, executors or administrators, as the case may be.

(2.) Any 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 the Bank or Savings Bank, in writing under the common seal of the Bank or Savings Bank.

(3.) Any 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 the Bank or Savings Bank, in writing signed by any person acting under the express or implied authority of the Bank or Savings Bank.

(4.) Any 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 the Bank or Savings Bank, by any person acting under the express or implied authority of the Bank or Savings Bank.

(5.) Nothing in this section shall invalidate any contract executed on behalf of the Bank or Savings Bank by any duly appointed attorney of the Bank or the Savings Bank, if the contract would be valid if executed by the attorney on his own behalf.

Seals.

186. The common seal of the Bank and of the Savings Bank shall be kept in such custody as the Governor determines and shall not be affixed to any document without the authority of the Governor or Deputy Governor.

Priority of
debts due by
other banks

187. Notwithstanding anything contained in any law relating to the winding-up of companies, debts due to the Bank or to the Savings Bank by any bank specified in the First Schedule to the *Banking Act* 1945 shall, in the winding-up, have priority over all other debts other than debts due to the Commonwealth.

Delivery of
bonds, &c., not
exceeding £200
on death of
customer

188.—(1.) Where a person dies and any bonds or securities of a like nature of a face value not exceeding in the whole Two hundred pounds are held on his behalf by the Bank or by the Savings Bank, and probate of his will or letters of administration of his estate are not produced to the Bank or to the Savings Bank, or notice in writing of the existence of a will and of intention to prove it or to take out

letters of administration is not given to the Bank or to the Savings Bank within one month after the death of that person, the Bank or the Savings Bank may, in its discretion, deliver the bonds or securities to the widower or widow or some relation of that person or to such other person as the Bank or the Savings Bank in the circumstances thinks fit.

(2.) A person shall not have any claim against the Bank or the Savings Bank in respect of anything done in pursuance of this section but nothing in this section shall relieve the person receiving the bonds or securities from any liability to account for or deal with the bonds or securities in accordance with law.

189. A trustee, executor or administrator may invest any trust moneys in his hands on deposit with the Bank or the Savings Bank. Investment of trust moneys.

190. Where the Governor, the Deputy Governor, the General Manager of the Industrial Finance Department, the Chairman of the Promotions Appeal Board or an officer of the Bank was, immediately prior to his appointment under this Act, an officer of the Public Service of the Commonwealth, his service under this Act shall, for the purpose of determining his existing and accruing rights, be taken into account as if it were service in the Public Service of the Commonwealth, and the *Officers' Rights Declaration Act 1928-1940* shall apply as if this Act and section had been specified in the Schedule to that Act. Preservation of rights.

191. The Governor-General may make regulations, not inconsistent with this Act, prescribing all matters which 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 Commonwealth Bank or the Commonwealth Savings Bank, and in particular for prescribing penalties not exceeding Fifty pounds for any offence against the regulations. Regulations.

THE SCHEDULES.

FIRST SCHEDULE.

ACTS REPEALED.

Bank Notes Tax Act 1910.
Commonwealth Bank Act 1911.
Commonwealth Bank Act 1914.
Commonwealth Bank Act 1920.
Commonwealth Bank Act 1924.
Commonwealth Bank (Rural Credits) Act 1925.
Commonwealth Bank (Savings Bank) Act 1927.
Commonwealth Bank Act 1929.
Commonwealth Bank Act 1931.
Commonwealth Bank Act 1932.
Commonwealth Bank Act 1943.
Commonwealth Housing Act 1927.
Commonwealth Housing Act 1928.

Section 4.

THE SCHEDULES—*continued.*

SECOND SCHEDULE.

PRIMARY PRODUCE.

Section 5.

| | |
|------------------------------------------|------------------------------------------------------------------------|
| Arrowroot. | Jam. |
| Bran. | Meal. |
| Broom Millet. | Meat and meat products. |
| Butter and butter products. | Metals, precious and otherwise. |
| Canary Seed. | Milk and milk products. |
| Cheese. | Peanuts. |
| Chicory. | Pollard. |
| Cotton. | Pulse. |
| Cotton seed and cotton seed by-products. | Sandalwood. |
| Eggs and egg products. | Spirits. |
| Fish, canned or preserved. | Sugar. |
| Flax. | Superphosphate and materials used in the production of superphosphate. |
| Flour. | Tallow. |
| Fodder. | Timber. |
| Fruit Pulp. | Tobacco. |
| Fruits, fresh, preserved or dried. | Vegetable seeds. |
| Ginger. | Vegetables, fresh, preserved or dried. |
| Grain. | Wine. |
| Hides and skins. | Wool. |
| Hops. | |

BANKING.

No. 14 of 1945.

An Act to regulate Banking, to make provision for the Protection of the Currency and of the Public Credit of the Commonwealth, and for other purposes.

[Assented to 3rd August, 1945.]

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

PART I.—PRELIMINARY.

- Short title.** 1. This Act may be cited as the *Banking Act 1945*.
- Commencement.** 2. Except as otherwise provided by this Act, this Act shall commence on a date to be fixed by Proclamation.
- Parts.** 3. This Act is divided into Parts, as follows:—
- Part I.—Preliminary.
- Part II.—Provisions relating to the carrying on of Banking Business.
- Division 1.—Authority to carry on Banking Business.
- Division 2.—Protection of Depositors.
- Division 3.—Special Accounts.
- Division 4.—Mobilization of Foreign Currency.
- Division 5.—Advances and Investments.