

THIS Bill originated in the House of Representatives ; and, having this day passed, is now ready for presentation to the Senate for its concurrence.

E. W. PARKES,
Clerk of the House of Representatives.

House of Representatives,
Canberra, 13th June, 1930

A BILL

FOR

AN ACT

To provide for a Central Reserve Bank of Australia and for other purposes.

WHEREAS it is desirable to maintain stability and security Preamble.
in the monetary and credit system of the Commonwealth of Australia :

5 BE it therefore 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.

- 1. This Act may be cited as the *Central Reserve Bank Act 1930*. Short title.
- 2. This Act shall commence on a date to be fixed by Proclamation. Commencement.
- 10 3. This Act is divided into Parts, as follows :— Parts.
 - Part I.—Preliminary.
 - Part II.—Establishment of the Reserve Bank.
 - Part III.—Management of the Reserve Bank.
 - Part IV.—Issue of Australian Notes.
 - 15 Division 1—Preliminary.
 - Division 2—Transfer of Existing Issue to Reserve Bank.
 - Division 3—Issue of Australian Notes.
 - Division 4—Offences in Relation to Australian Notes.
 - 20 Part V.—Reserve.
 - Part VI.—General Provisions.
 - Part VII.—Miscellaneous.

Definitions.

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

“Bank” means any person or body of persons or authority carrying on the business of banking, and includes the Commonwealth Bank of Australia, but does not include the Reserve Bank ;

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

“the Board” means the Board of Directors of the Reserve Bank ;

“the Commonwealth Bank” means the Commonwealth Bank of Australia established by the *Commonwealth Bank Act* 1911–1929 ;

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

“the Reserve Bank” means the Central Reserve Bank of Australia established by this Act.

PART II.—ESTABLISHMENT OF THE RESERVE BANK.

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Establishment of Bank.

5. A Central Reserve Bank of Australia is hereby established.

Incorporation of Bank.

6. The Reserve Bank shall be a body corporate with perpetual succession and a common seal, and may hold land and may sue and be sued in its corporate name.

Capital of the Bank.

7. The initial capital of the Reserve Bank shall be Two million pounds, which shall be transferred from the Commonwealth Bank to the Reserve Bank.

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Powers of Bank.

8. The Reserve Bank shall, in addition to any other powers conferred or limitations imposed by this Act, have power—

(a) to issue notes in accordance with Part IV. of this Act ;

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(b) to buy and sell in the open market in the Commonwealth of Australia or abroad Cable Transfers, Bankers' Acceptances and Bills of Exchange ;

(c) to buy, sell, discount or re-discount securities issued by the Government of the Commonwealth, or of any State, or of Great Britain and Northern Ireland, or of any authority constituted under the law of the Commonwealth or of any State ;

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(d) to act as agent for the issue and management of loans on behalf of the Commonwealth or of any State and of any authority constituted under the law of the Commonwealth or of any State ;

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(e) to make advances direct to other corporations carrying on the business of banking or re-discount for such other corporations bills having a currency of not more than one hundred and twenty days to date of maturity, including bills drawn on London and on foreign countries ;

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(f) to establish accounts with other Central Reserve Banks in the United Kingdom or foreign countries ;

(g) to accept money on deposit on current account and collect money for public corporations and others ;

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(h) to

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- (h) to make loans or advances against the security of Stock or Debentures of the Government of the Commonwealth or of a State, or any authority constituted under the law of the Commonwealth or of any State, or good Trade Bills, such Bills having a currency of not more than six months to date of maturity;
- (i) to make advances to the Government of the Commonwealth or of a State, or to any authority constituted under the law of the Commonwealth or of any State;
- (j) to buy, sell and deal in specie, bullion and gold dust;
- (k) to buy and sell securities for customers; and
- (l) to do anything incidental to any of its powers.

9. The Reserve Bank may not—

- (a) make advances against land or any estate or interest in land;
- (b) engage in trade or have a direct interest in any commercial or industrial undertaking;
- (c) purchase shares of trading Companies or of other Banks except the Bank for International Settlements;
- (d) purchase municipal securities or debentures (other than those of any capital city in Australia) having a currency of more than two years to date of maturity;
- (e) accept money on deposit for a fixed term, or allow interest on current accounts except Commonwealth and State Government accounts;
- (f) except in so far as is necessary for the conduct of its own business, remain the owner of real property for any longer period than is required in order to realize to proper advantage such real property as may come into its possession in satisfaction of claims due to it; or
- (g) make unsecured loans or advances except to the Government of the Commonwealth or a State, or to any authority constituted under the law of the Commonwealth or of any State, or to any corporation carrying on the business of banking.

Restrictions on operations of Bank.

- 10.—(1.) Each bank carrying on business in the Commonwealth shall within the prescribed time deposit and thereafter maintain with the Reserve Bank reserve balances of not less than ten per centum of its demand deposits from the public within the Commonwealth and three per centum of its time deposits from the public within the Commonwealth.

Reserves to be lodged by trading Banks.

- (2.) When it appears from any return that any bank has wilfully failed to deposit or thereafter maintain reserve balances in accordance with the last preceding sub-section, the Auditor-General for the Commonwealth may, at the request of the Governor, call for such returns, or make such inspection of the books and accounts of that bank, as he thinks fit, in order to ascertain the amount by which the reserve balances are deficient, and the period during which the deficiency has

continued

continued, and the bank shall be liable to a penalty, recoverable by action in any Court of competent jurisdiction.

(3.) The amount of the penalty payable by a Bank in pursuance of the last preceding sub-section shall be at the rate of two per centum per annum in excess of the discount rate, fixed by the Reserve Bank in pursuance of section sixty-six of this Act, and for the time being in force, and shall be calculated on the amount of the deficiency for each day on which it is continued. 5

(4.) A bank which has wilfully failed to establish or maintain reserve balances in accordance with sub-section (1.) of this section shall not make any new loan or pay any dividend until it has complied with the provisions of that sub-section. 10

Penalty: Five hundred pounds for each day during which the failure continues.

(5.) Any bank which fails to furnish any return, or to permit any inspection, required under this section shall be guilty of an offence. 15

Penalty: Five hundred pounds for each day during which the default continues.

(6.) This section shall not apply to the Savings Bank Department of the Commonwealth Bank, to a State Savings Bank or to the State Bank of South Australia. 20

Monthly returns.

11.—(1.) Each bank carrying on business in the Commonwealth shall, as soon as practicable after the close of business on the first Monday in each month, furnish to the Governor a return, in accordance with the prescribed form, made up to the close of business on that day, exhibiting details of liabilities and assets in Australia. 25

(2.) Each return made under this section by any bank shall be signed by the General Manager, the Manager or the Secretary of the bank or their deputies.

(3.) Each bank carrying on business both in the Commonwealth and in the United Kingdom shall also furnish to the Governor returns at such periods and containing such particulars as are prescribed of the state of its business in the United Kingdom and elsewhere. 30

(4.) Any bank which wilfully fails to furnish any return in accordance with this section shall incur a penalty, recoverable by the Reserve Bank by action of debt in any Court of competent jurisdiction, of One hundred pounds for each day during which the default continues. 35

(5.) This section shall not apply to the Savings Bank Department of the Commonwealth Bank, to a State Savings Bank or to the State Bank of South Australia. 40

Quarterly returns.

12.—(1.) Every bank shall, on the last Monday of each quarter ending on the thirty-first day of March, the thirtieth day of June, the thirtieth day of September, and the thirty-first day of December in every year prepare a general abstract in writing, in accordance with the prescribed form, exhibiting details of liabilities and assets in Australia. 45

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(2.) Every such quarterly abstract shall be verified by the statutory declaration of the General Manager, the Manager or the Secretary of the bank making the abstract, and shall, within one month after the close of the quarter, or so soon thereafter as is practicable, be delivered to the Treasurer and published in the *Gazette*.

(3.) Any bank which wilfully fails to deliver to the Treasurer the quarterly abstract specified in sub-section (1.) of this section shall forfeit for every such offence the sum of Five hundred pounds.

(4.) If any such quarterly abstract is wilfully false in any detail, the bank shall forfeit for every such offence the sum of Five hundred pounds, and, in addition to any other penalty, the General Manager, the Manager or the Secretary who has verified the abstract by statutory declaration, shall forfeit for every such offence the sum of One hundred pounds.

(5.) The penalties fixed by the last two preceding sub-sections may be recovered by the Reserve Bank by action of debt in any Court of competent jurisdiction.

PART III.—MANAGEMENT OF THE RESERVE BANK.

13.—(1.) The Reserve Bank shall be managed by a Board of Directors composed of the Governor and not more than eight other Directors, all of whom shall be British subjects, appointed in the manner set out in this Part.

(2.) Subject to this Act, the other Directors shall consist of—
 (a) Not more than two Deputy Governors of the Reserve Bank ;
 (b) The Secretary to the Treasury ; and
 (c) Five other persons who are or have been actively engaged in agriculture, commerce, finance, industry or labour.

14. The Governor shall be appointed by the Governor-General, and shall hold office for a period not exceeding seven years, and shall be eligible for re-appointment.

15.—(1.) The Governor-General may appoint not more than two Deputy Governors of the Reserve Bank.

(2.) A Deputy Governor shall be appointed for a period not exceeding seven years and shall be eligible for re-appointment.

(3.) A Deputy Governor shall assist the Governor, and shall perform such duties as the Governor directs.

16. Notwithstanding anything contained in this Act, the Governor, a Deputy Governor and a Director shall hold office only during good behaviour.

17.—(1.) During the absence of the Governor, the senior Deputy Governor shall act as the Governor, and, in the absence of both the Governor and the senior Deputy Governor, the second Deputy Governor shall act as the Governor.

(2.) In

(2.) In the absence of the Governor and the two Deputy Governors, the Governor-General may appoint a person to act as the Governor.

(3.) Any person acting as the Governor in pursuance of either of the last two preceding sub-sections shall, while so acting, have all the powers and perform all the duties of the Governor. 5

Governor and Deputy Governors to devote whole time to duties.

18.—(1.) The Governor shall be the Chief Executive Officer of the Bank.

(2.) The Governor and each Deputy Governor shall severally devote the whole of their time to the duties of their offices.

Remuneration of Governor and Deputy Governors.

19. The Governor and each Deputy Governor shall receive such remuneration by way of salary as is fixed by the Governor-General. 10

Board of Directors.

20.—(1.) The Governor shall be the Chairman of the Board of Directors specified in section thirteen of this Act.

(2.) Each of the Directors specified in paragraph (c) of sub-section (2.) of that section shall be appointed by the Governor-General. 15

(3.) Of the five Directors first appointed in pursuance of that paragraph, one shall be appointed for a term of five years, one for a term of four years, one for a term of three years, one for a term of two years, and one for a term of one year.

(4.) Thereafter each Director shall be appointed for a term of five years. 20

(5.) Any person appointed a Director in pursuance of that paragraph shall, on the expiration of the term for which he was appointed, be eligible for re-appointment.

(6.) In the event of the office of one of the Directors specified in that paragraph becoming vacant otherwise than by effluxion of time, the Governor-General may appoint a Director to that office for the remainder of the term for which his predecessor in that office was appointed. 25

(7.) Each Director, other than the Governor and the two Deputy Governors, shall receive such remuneration as is fixed by the Governor-General. 30

(8.) The Board may grant leave of absence to any member of the Board for a period not exceeding six months, and the Governor-General may grant leave of absence to any such member for any period exceeding six months. 35

Disqualifications from becoming member of Board.

21. A person who is—

(a) A Director of any corporation (other than the Reserve Bank) the business of which is wholly or mainly that of banking ; or 40

(b) an officer of any corporation (other than the Reserve Bank) the business of which is wholly or mainly that of banking, shall not be capable of appointment, or of continuing to act, as a member of the Board.

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22. The Governor, a Deputy Governor or a Director shall be deemed to have vacated his office if— Vacation of office.

- 5 (a) he becomes bankrupt or insolvent or applies to have the benefit of any Act for the relief of bankrupt or insolvent debtors, or compounds with his creditors, or makes an assignment of his remuneration for their benefit ;
- 10 (b) he absents himself (except on leave granted by the Board or the Governor-General as the case may be) from all meetings of the Board held during three consecutive months or during any three months in any period of twelve months ;
or
- (c) he becomes permanently incapable of performing his duties.

23.—(1.) The Board shall meet at least once a month and at such other times as the Chairman directs. Meetings of the Board.

- 15 (2.) At meetings of the Board five Directors shall form a quorum.
- (3.) The Chairman shall have a deliberative vote, and, in the event of an equality of votes, a second or casting vote.
- (4.) All questions arising at any meeting of the Board shall be decided by a majority of the votes of the Directors present.
- 20 (5.) The Board may appoint from amongst its members an Executive Committee of not less than three members to hold meetings and carry on the business of the Reserve Bank between meetings of the Board.
- (6.) Of the members of the Executive Committee not more than 25 shall be chosen from the official members of the Board.
- (7.) At meetings of the Executive Committee three shall form a quorum.
- (8.) The Executive Committee shall have such powers and duties as are conferred or imposed by the Board, and shall be subject to such 30 directions as are given by the Board.

24. The Board may appoint such officers and servants of the Reserve Bank as it thinks necessary for efficiently conducting the business of the Bank. Officers of Bank.

25.—(1.) Where an officer of the Commonwealth Public Service becomes an officer of the Reserve Bank, he shall retain all the existing and accruing rights in respect of— Transferred officers.

- 40 (a) leave on the ground of illness ;
- (b) long service leave or pay in lieu thereof (including pay to dependants on the death of the officer) ;
- (c) superannuation ;
- (d) child endowment ; and
- (e) in the case of female officers, payment on marriage,
- to which from time to time he would be entitled if he had remained an officer of the Public Service of the Commonwealth.

(2.) Where

(2.) Where—

(a) an officer of the Commonwealth Bank becomes an officer of the Reserve Bank ; or

(b) an officer of the Reserve Bank becomes an officer of the Commonwealth Bank,

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he shall retain all his existing and accruing rights and there shall be payable to the Superannuation Fund of the Bank of which he becomes an officer, from the Superannuation Fund of the other Bank, an amount calculated actuarially as the reserve value attaching to the interests (if any) of the officer in the last-mentioned Fund.

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(3.) Where an officer of the Commonwealth Bank having existing or accruing rights in respect of superannuation under the *Superannuation Act 1922-1924* becomes an officer of the Reserve Bank, he shall retain those rights while an officer of the Reserve Bank.

Appeals by
officers of the
Bank.

26.—(1.) Where an officer of the Reserve Bank is affected in his employment by an action of any authority of the Reserve Bank, other than the Board, the officer may, within the prescribed time, submit in writing an appeal to the Board.

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(2.) An appeal under this section shall state fully the action appealed against and the grounds of the appeal.

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(3.) The Board shall refer the appeal to an Appeal Board consisting of three members, one of whom shall be appointed by the Board, and one of whom shall be elected by the officers of the Reserve Bank in the manner prescribed, with an independent Chairman chosen by mutual agreement between the other two members, or, if those members fail to agree, appointed by the Board.

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(4.) The Appeal Board shall consider any appeal referred to it under this section and shall submit its report thereon to the Board, which shall determine the appeal and notify the appellant of its determination, which shall be final and conclusive.

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Audit.

27.—(1.) The affairs of the Reserve Bank shall be subject to audit by the Auditor-General for the Commonwealth.

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

Yearly
balance-sheet.

28. The Board shall, at least once in each year, prepare a balance-sheet in accordance with the prescribed form and submit it to the Auditor-General for report as to its correctness or otherwise, and transmit it with the report of the Auditor-General to the Treasurer and shall also transmit a true copy of the balance-sheet and report 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.

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PART IV.—ISSUE OF AUSTRALIAN NOTES.

Division 1.—Preliminary.

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

Definitions.

5 “Australian note” means a note issued in pursuance of the *Australian Notes Act 1910–1914*, the *Commonwealth Bank Act 1911–1929*, or this Part;

10 “Bank note” means a bill or note for the payment of money issued by a bank, other than the Commonwealth Bank or the Reserve Bank, and payable to bearer on demand and intended for circulation;

“Constable” includes any member of the police force of the Commonwealth or of a State or of part of the Commonwealth.

30.—(1.) From and after the commencement of this Part—

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

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

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

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

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

Division 2.—Transfer of Existing Issue to Reserve Bank.

30 31.—(1.) Upon a date to be fixed by Proclamation, all the assets and liabilities of the Commonwealth Bank under the *Australian Notes Act 1910–1914* and Part VIA. of the *Commonwealth Bank Act 1911–1929* shall, by force of this Act, be transferred to the Reserve Bank.

Transfer of existing issue to Reserve Bank.

35 (2.) The transfer of the assets and liabilities shall be at the values shown in the books of the Commonwealth Bank.

Division 3.—Issue of Australian Notes.

32.—(1.) Subject to this Act, the Reserve Bank may from time to time—

Issue, re-issue, and cancellation of notes.

40 (a) issue Australian notes;

(b) re-issue Australian notes; and

(c) cancel Australian notes.

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

33.—(1.) Australian

Denomination,
&c., of
notes.

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

- (a) be printed and issued by the Reserve Bank ;
- (b) be a legal tender throughout the Commonwealth and throughout all Territories under the control of the Commonwealth except in respect of payments due by the Reserve Bank ; and 5
- (c) bear the promise of the Reserve Bank to redeem the notes in gold coin (or, in the case of a single five shillings Australian note, in silver coin) on demand at the Head Office of the Reserve Bank. 10

(2.) Upon the commencement of this Act, Australian notes expressed to be payable at the Commonwealth Treasury at the seat of Government, or at the Head Office of the Commonwealth Bank of Australia, shall be payable at the Head Office of the Reserve Bank. 15

(3.) Australian notes shall bear thereon the signature of the Secretary to the Treasury or such other officer of the Commonwealth Treasury as the Treasurer directs, and the signature of the Governor or such officer of the Reserve Bank as the Board directs. 20

(4.) The signatures referred to in the last preceding sub-section may be made in the hand writing of the officers or persons or may be made by engraving, lithography or any mechanical process approved by the Governor.

Disposal of
proceeds of
issue of notes.

34. Part of the moneys derived from the issue of Australian notes or acquired on the transfer of the Australian Note Issue from the Commonwealth Bank, shall be held by the Reserve Bank for the purposes of the reserve provided for in section fifty of this Act, and the Reserve Bank may utilize the remainder or any part thereof in its ordinary business. 25 30

Monthly
statement of
notes issued
and reserve
held.

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

- (a) the number and amount of Australian notes issued and not redeemed ; 35
- (b) the amount of liabilities to depositors ; and
- (c) the amount and constitution of the reserve held by the Reserve Bank for the purposes of this Act.

(2.) The statement shall be countersigned by the Governor, and forwarded to the Treasurer for publication in the *Gazette*. 40

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

36. Every bank shall—

- (a) keep, in accordance with the prescribed form, a record of all bank notes issued or re-issued by the bank after the commencement of this Act and not redeemed by the bank at the close of business on Monday of every week ; 45
and

(b) on

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Central Reserve Bank.

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(b) on or before the thirty-first day of March in each year, send to the Treasurer a copy of such record for the previous calendar year, verified by a declaration in accordance with the prescribed form.

5 Penalty : Five hundred pounds.

37.—(1.) Every bank shall as at the close of business on each Monday render to the Governor a return in accordance with the prescribed form showing the value of the notes, issued under this Act, the *Australian Notes Act* 1910–1914 or the *Commonwealth Bank Act* 1911–1929, held by the bank.

Banks to furnish return of notes held.

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

Penalty : One hundred pounds.

Division 4.—Offences in relation to Australian Notes.

15 38. In this Division—

“Commonwealth Security” means any Australian note issued in pursuance of the *Australian Notes Act* 1910–1914, or the *Commonwealth Bank Act* 1911–1929, or in pursuance of this Part ;

Definitions.

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

25 39. Every person who, with intent to defraud, forges, or utters knowing it to be forged—

Forging or uttering notes.

(a) any Commonwealth Security ; or

(b) any indorsement or transfer of any Commonwealth Security,

shall be guilty of an indictable offence.

Penalty : Imprisonment for fourteen years.

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

Possession of forged notes.

Penalty : Imprisonment for four years.

35 41. Every person who, without the authority of the Governor, (proof whereof shall lie upon him), makes or has in his possession—

Making, &c., of false forms.

(a) any form of any Commonwealth Security ; or

(b) any instrument or thing which has been used by that person, or is intended by that person to be used, in making any form of any Commonwealth Security,

40 shall be guilty of an indictable offence.

Penalty : Imprisonment for three years.

42. Every

- Personation, &c.** 42. Every person who, with intent to defraud—
- (a) falsely personates any person entitled to any Commonwealth Security ; or
 - (b) makes out or delivers any Commonwealth Security for a greater or less amount than the amount to which the person on whose behalf it is made is entitled,
- shall be guilty of an indictable offence. 5
- Penalty : Imprisonment for eight years.
- Making false declaration.** 43. Any person who wilfully makes any false statement in any declaration under this Act shall be guilty of an indictable offence. 10
- Penalty : Imprisonment for four years.
- Copying of Australian notes forbidden.** 44.—(1.) Every person who, without the authority of the Governor, (proof whereof shall lie upon him), makes or has in his possession—
- (a) any copy of an Australian note ; or 15
 - (b) any writing, engraving, photograph or print resembling an Australian note or apparently intended to be or pass for a copy of an Australian note,
- shall be guilty of an offence.
- Penalty : One hundred pounds, or imprisonment for one year, or both. 20
- (2.) This section shall not affect the liability of any person to be proceeded against for any higher offence, but a person so proceeded against shall not be liable to be punished twice in respect of the same offence. 25
- (3.) In this section “ 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 includes a copy of a form of an Australian note, or part of an Australian note, in any size or scale. 30
- Defacing, &c., of Australian notes.** 45. Every person, other than an officer of a trading bank cancelling notes to be remitted to the Reserve Bank, who—
- (a) wilfully mutilates, defaces or disfigures an Australian note ;
 - (b) writes, prints, stamps or draws anything on an Australian note ; 35
 - (c) makes on, or attaches to, any Australian note any advertisement ; or
 - (d) designs, makes, issues or circulates any advertisement in the form of or resembling or apparently intended to resemble any Australian note, 40
- shall be guilty of an offence.
- Penalty : Twenty pounds.
- Aiders and abettors.** 46. Any person who aids, abets, counsels or procures, or is in any way knowingly directly or indirectly concerned in, the commission of any offence against this Act shall be deemed to have committed that offence and shall be punishable accordingly. 45
- 47.—(1.) Any

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

Illicit forms
to be
confiscated.

5 King.

(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.

10 (3.) A Court of summary jurisdiction may 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 Governor directs.

15 48.—(1.) Upon information, on oath or affirmation, by any constable, that he has reasonable ground to believe that any article forfeited under this Act is in any building or place, a justice of the peace may issue a search warrant to the constable.

Search
warrants.

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

25 bring it before a Court of summary jurisdiction.

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

30 49. Every officer charged with the receipt or disbursement of public moneys, and every officer of the Reserve Bank or of any other bank, shall stamp or write in plain letters the word "forgery", "counterfeit", "altered" or "worthless" upon every counterfeit or fraudulent note issued in the form of an Australian note which is presented to him at his place of business, and if he wrongfully writes or stamps those words on any genuine Australian note he

35 shall upon presentation redeem it at the face value thereof.

Counterfeit
notes to be
marked.

Cf. Canada R.S.
ch. 29, s. 75

PART V.—RESERVE.

50.—(1.) The Reserve Bank shall hold, in respect of Australian notes and in respect of its liabilities to depositors, a reserve amounting to not less than—

Reserve to be
held.

40 (a) twenty-five per centum of the amount of Australian notes issued; together with

(b) twenty-five per centum of such amount of the liability to depositors as does not exceed Twenty million pounds, and fifty per centum of such amount of the liability to depositors as exceeds Twenty million pounds.

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(2.) In

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

Provided that Australian notes, of a denomination not exceeding one pound, that have not been presented for payment within twenty years from the date of issue shall, for the purposes of this section, be deemed to be not in circulation, and Australian notes, of a denomination exceeding one pound, that have not been presented for payment within forty years from the date of issue shall, for the purposes of this section, be deemed to be not in circulation: 5

Provided further that all such notes shall, if presented, be redeemed by the Reserve Bank. 10

(3.) Such portion of the reserve required to be held under this section, as is determined by the Board, but not exceeding fifty per centum, may be held at the Branch or Agency of the Reserve Bank in London in Great Britain. 15

(4.) The reserve shall consist of gold coin and bullion, or partly of gold coin and bullion and partly of securities of the Government of Great Britain and first-class Trade Bills, such securities and Trade Bills having a currency not exceeding one hundred and twenty days. 20

(5.) Such portion of the reserve as is held in the Commonwealth of Australia, not being less than fifty per centum of the total reserve, shall consist entirely of gold coin and bullion.

Returns of
holdings of
gold.

51.—(1.) Where the Treasurer is satisfied that it is expedient for the protection of the currency, or of the public credit of the Commonwealth, to obtain particulars of gold coin and bullion held by persons in Australia, or to require the exchange of any gold so held for Australian notes, he may, by notice in writing, authorize the Board— 25

(a) to require persons to furnish particulars of the gold coin and bullion held by them; and 30

(b) to require persons to exchange, with the Reserve Bank, for Australian notes, any gold coin or bullion held by them.

(2.) The Board may, in pursuance of any authority given under the last preceding sub-section, by notice in writing— 35

(a) require any person to furnish to the Reserve Bank, particulars in writing of the gold coin and bullion held by that person; and

(b) require any person to exchange with the Reserve Bank for its equivalent in Australian notes, any gold coin or bullion held by that person. 40

(3.) For the purposes of this section—

(a) the equivalent of gold coin shall be the nominal value thereof, and of gold bullion shall be Three pounds seventeen shillings and ten pence and one half-penny per ounce of the standard gold content of the bullion; and 45

(b) "standard gold" contains eleven-twelfths fine gold.

(4.) Any

(4.) Any person who refuses or fails to comply with any requirement made under this section shall be guilty of an offence.

Penalty : A fine of One hundred pounds or imprisonment for one year, or, in the case of a corporation, a fine of One thousand pounds.

5 PART VI.—GENERAL PROVISIONS.

52. The Head Office of the Reserve Bank shall be situated in such place within the Commonwealth as the Board thinks fit to appoint. Head Office.

53.—(1.) The Board may establish branches or appoint agencies of the Reserve Bank in any part of the Commonwealth or of any Territory under the authority of the Commonwealth. Establishment of branches, agencies, and local Directors and Advisers.

(2.) The Board may, with the consent of the Treasurer, establish a Branch of the Reserve Bank in London in Great Britain, and may, with the like consent establish Branches of the Reserve Bank in other places beyond the Commonwealth.

(3.) The Board may, at its discretion, appoint one or more local Directors or Advisers in any State or Territory under the authority of the Commonwealth (not being the State or Territory in which the Head Office of the Reserve Bank is situated), or in London in Great Britain or in any other place beyond the Commonwealth, when, in the opinion of the Board, it is necessary or desirable in the interests of the Bank that any such appointment should be made.

54.—(1.) The Reserve Bank may acquire from the Commonwealth Bank such land, buildings and premises as are mutually agreed upon. Reserve Bank may acquire land, &c., from Commonwealth Bank.

(2.) The consideration for any land, buildings or premises acquired in pursuance of the last preceding sub-section shall be the value of the land, buildings or premises, as the case may be, as shown in the books of the Commonwealth Bank at the time of the acquisition.

55. The Reserve Bank may, with the approval of the Treasurer, by instrument under its common seal, appoint any person (whether in the Commonwealth or in any place beyond the Commonwealth) to be the Attorney of the Reserve 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. Power to appoint Attorney.

56. The Board may arrange with any bank carrying on business in any place to act as the agent of the Reserve Bank in any place whether in or outside the Commonwealth. Agents.

57. Contracts on behalf of the Reserve Bank may be made varied or discharged as follows :— Execution of contracts by or on behalf of the Bank.

(a) 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 Reserve Bank, in writing under the common seal of the Reserve Bank ;

(b) 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,

discharged, in the name and on behalf of the Reserve Bank, in writing signed by any person acting under the express or implied authority of the Reserve Bank ;

- (c) 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 Reserve Bank, by any person acting under the express or implied authority of the Reserve Bank : 5

And all contracts made according to the provisions contained in this section shall be effectual in law, and shall be binding upon the Reserve Bank and on all other parties thereto, their heirs, executors or administrators, as the case may be : 10

Provided that nothing in this section shall invalidate any contract executed on behalf of the Reserve Bank by any duly appointed attorney of the Bank, if the contract would be valid if executed by the attorney on his own behalf. 15

Rules of the Bank.

58. The Board may make rules, not inconsistent with this Act or the regulations made by the Governor-General thereunder, for any of the following purposes :— 20

- (a) The good government of the Reserve Bank ;
 (b) The conduct, control and classification of the officers of the Reserve Bank ;
 (c) Prescribing conditions of employment of employees of the Note and Stamp Printing Branch of the Reserve Bank ; 25
 (d) To provide a superannuation and fidelity fund ; and
 (e) Any matter necessary or convenient to be provided for carrying on the business of the Reserve Bank.

Priority of debts due to Bank by other banks.

59. Notwithstanding anything contained in any Act or State Act relative to bankruptcy or insolvency or the winding up of companies, debts due to the Reserve Bank by any corporation carrying on the business of banking shall have priority over any other debts due by the corporation. 30

Responsibility of Commonwealth for Reserve Bank.

60. The Commonwealth shall be responsible for the payment of all moneys due by the Reserve Bank . 35

Provided that nothing in this section so authorizes any creditor or other person claiming against the Reserve Bank to sue the Commonwealth in respect of his debt or claim.

Profits of Bank —How dealt with.

61.—(1.) Any profits of the Reserve Bank in each year shall be dealt with as follows :— 40

- (a) The whole of the net profits arising from the issue of Australian notes shall be paid to the Commonwealth Treasury ;
 (b) The other profits of the Reserve Bank shall be placed to the credit of a fund to be called "The Bank Reserve Fund", until the amount standing to the credit of that Fund totals Two million pounds ; and 45

(c) When

- (c) When the amount standing to the credit of that Fund totals Two million pounds, one half only of the other profits of the Reserve Bank shall be placed to the credit of that Fund, and the remainder shall be paid to the Commonwealth Treasury for credit to the National Debt Sinking Fund.
- (2.) The payments and credits provided for in the last preceding sub-section shall be made as soon as practicable after the preparation of each balance-sheet.
- 10 (3.) The Bank Reserve Fund shall be available for the payment of any liabilities of the Reserve Bank.
- (4.) The Board may, with the consent of the Treasurer, make transfers from time to time from the Bank Reserve Fund to the Capital Fund :
- 15 Provided that the amount of the Bank Reserve Fund shall not be reduced below Two million pounds.

PART VII.—MISCELLANEOUS.

62. On and after a date to be fixed by Proclamation, such corporations as are specified by Proclamation, which carry on the business of banking, shall settle, as between themselves, by means of cheques drawn on and paid into the Reserve Bank, the balances arising between these corporations out of any customary general clearance effected in any capital city in Australia.
- 20 Settlement of balances between Banks to be conducted through Central Reserve Bank.
- Penalty : Fifty pounds for each day during which the default continues.
- 25
63. Any officer of the Reserve Bank who fraudulently and in breach of his duty—
- (a) makes any false entry in any book, record or document; or
- (b) omits to make any entry in any book, record or document;
- 30 or
- (c) by act or omission falsifies any book, record or document;
- or
- (d) destroys or damages any book, record or document; or
- (e) furnishes any false return or statement of any money or property; or
- 35 (f) omits to furnish any return or statement of any money or property,
- shall be guilty of an indictable offence.
- Penalty : Imprisonment for seven years.
- 40 64. Any officer of the Reserve Bank who steals, or fraudulently misappropriates, or fraudulently converts to his own use any money or property of the Bank or any money or property received by him as an officer of the Bank shall be guilty of an indictable offence.
- Misappropriation of money or property of Bank.
- Penalty : Imprisonment for seven years.

65.—(1). Corporations

Transfer of notes by private banks, and exchange on Government cheques.

65.—(1.) Corporations carrying on the business of banking may lodge Australian notes at any Branch or Agency of the Reserve Bank in the Commonwealth and receive an equivalent amount in Australian notes from any other Branch or Agency of the Reserve Bank in the Commonwealth, without any charge for exchange or commission. 5

(2.) Corporations carrying on the business of banking shall not charge any exchange or commission for cashing or negotiating any official cheque (payable within the Commonwealth) of the Commonwealth Government or a State Government, or the Reserve Bank, whether drawn on the bank cashing or negotiating the cheque or on any other bank, nor upon any cheque (payable within the Commonwealth) drawn in favour of the Government of the Commonwealth or a State, or the Reserve Bank, and tendered for deposit to the credit of the Government of the Commonwealth or a State, or any Department thereof: 10 15

Provided that nothing in this section shall debar a bank from applying for and receiving reimbursement of out-of-pocket expenses when it is put to any unusual expense in carrying out any transaction specified in this sub-section. 20

Publication of discount rates.

66. The Board shall fix and publish from time to time the rate at which the Reserve Bank will discount and re-discount approved Bills of Exchange and short-dated Government securities.

Regulations.

67. 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. 25