

1980-81

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

CURRENCY AMENDMENT BILL 1981

EXPLANATORY MEMORANDUM

Circulated by authority of the Treasurer, the Honourable John Howard, MP

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GENERAL OUTLINE AND MAIN PURPOSES OF THE BILL

On 2 May 1980, the then Acting Treasurer announced that the Government had decided to issue three coins with special designs to commemorate the occasion of the XII Commonwealth Games to be held in Brisbane in 1982. He further stated that the 1982 commemorative coins would be a \$200 face value 'collector' gold coin, a 50-cent cupro-nickel coin, and, subject to the passage of necessary authorising legislation, a \$10 cupro-nickel coin. It has subsequently been decided that the \$10 coin be struck in 92.5 per cent (sterling) silver.

The main purpose of this Bill is to amend the Currency Act 1965 to authorise the issue of a \$10 silver coin. As in the case of the \$200 gold coin 'collector' coin, it is proposed that the issue price of the \$10 face value silver coin be determined by the Treasurer shortly before sale at a level significantly above the face value.

In view of the existing legislative burden on Parliament, it has been decided to take this opportunity to provide for greater flexibility in the types of coins that can be issued without the need for additional legislation.

The Bill therefore provides for the issue of new denominations of coins and their standard compositions to be prescribed by regulation and authorises the Treasurer to cause any such coins to be made and issued.

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The Bill also provides for the standard composition of existing denominations of coins specified in the Schedule to the Act to be varied by regulation.

To complement the abovementioned provisions, clause 6 of the Bill will also amend the legal tender provisions of the Act to cover the \$10 coin and any other denomination prescribed in the regulations.

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CLAUSE 1 - SHORT TITLE, ETC

Self-explanatory.

CLAUSE 2 - COMMENCEMENT

Self-explanatory.

CLAUSE 3 - STANDARD WEIGHT AND COMPOSITION OF COINS

Section 13 of the Principal Act provides that the standard composition of the respective denominations of coins is as specified in the Schedule to the Act and requires the standard weight of the coins to be prescribed by regulation.

This clause will add a new sub-section (2) that will allow the standard composition of coins as specified in the Schedule to be varied by regulation and will provide for the Schedule to be deemed to be amended by the substitution of any new composition so prescribed.

CLAUSE 4 - TREASURER MAY ISSUE COINS

Section 14 of the Principal Act empowers the Treasurer to cause to be made and issued coins of the denominations of money and standard compositions specified in the Schedule to the Act and provides for the coins to be of certain other standards, designs and weights, as prescribed by regulation.

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This clause, by adding a new sub-section 14(1B), will provide for new denominations of coins and their standard compositions to be prescribed by regulation and for the Treasurer's authority to have coins made and issued to be extended to any new denominations of coins so prescribed. Paragraphs (c) and (d) of the new sub-section will have the effect of deeming the Schedule to be amended by the addition of any new denominations and the respective standard compositions so prescribed.

This clause will also substitute a revised sub-section 14(1A). This sub-section has been revised to conform with the drafting technique used in the new sub-section (2); there is no substantive change in the provision, the purpose of which is to allow the denomination of future issues of the collector gold coin to be varied by regulation from \$200 should a significant change in the price of gold or other factors necessitate this.

Paragraph (b) of this clause will effect a consequential amendment to sub-section 14(2)(a) in view of the proposed amendment to sub-section 13(2) to provide for the variation of the standard composition of coins by regulation.

CLAUSE 5 - ISSUE PRICE OF COINS OF CERTAIN DENOMINATIONS

Section 14A of the Principal Act provides for the \$200 gold coin and the proposed \$100, \$50 and \$25 gold coins to be issued at the respective prices determined by the Treasurer from time to time.

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This clause will amend section 14A to allow the issue price of the proposed \$10 coin, that is to be issued in the first instance as a silver commemorative coin for the 1982 Commonwealth Games, to be similarly determined by the Treasurer. Because of the volatility in the price of silver and production and marketing factors it is not practicable to set in advance of the legislation the price at which the \$10 coin is to be issued.

The amendment will also empower the Treasurer to determine the issue price of any new coins of a denomination exceeding \$10 that may be prescribed. This provision is intended to provide for any future collector or commemorative coins of a new denomination exceeding \$10 and would allow the Treasurer, in determining the issue price of a proposed new coin, to take into account (particularly in the case of gold or silver) the then current price of the metal used in the coin.

CLAUSE 6 - LEGAL TENDER

Section 16 of the present Act provides that the tender of coins up to certain values is a legal tender in discharge of a debt. The effect of the present provision is to place a limit of \$5 on the legal tendering of coins of the denominations of 5, 10, 20 and 50 cents and a limit of 20 cents for 1 or 2 cent coins and to provide that coins of any other denomination (that is, the gold coins) are legal tender for payment of any amount.

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The effect of this clause will be to place a limit of \$100 on the legal tendering of coins of the denomination of \$10 and, in the case of coins of a denomination exceeding 50 cents but under \$10, a limit of ten times the face value of coin.

Paragraph 1(c) in existing section 16 will, by virtue of this clause, become paragraph 1(e) and will principally have the effect of providing that coins of any other denomination over the value of \$10 will be legal tender for the payment of a debt of any amount.

This clause complements the proposed amendment of section 14 providing for the prescription of new denominations (clause 4) by providing for appropriate legal tender values to be accorded coins of any new denominations without the need for a further amendment of the Act.

CLAUSE 7 - AMENDMENT TO SCHEDULE

This Clause will amend the Schedule to the Principal Act to provide for the introduction of the \$10 silver coin and to specify its standard composition.

