



# Australian Panorama

THE NATION'S FIRST BANKNOTES



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# POLITICAL PREPARATIONS

Australia's first national banknotes were printed between 1913 and 1914. This event was preceded by political changes that had created the framework for their issuance. In 1901 the Federation of Australia brought together the country's six self-governing colonies into political union with federal structure - the Commonwealth of Australia.<sup>1</sup> The Federation of the country had been motivated partly by the wish to develop a coordinated, national economy, and the constitution of the new nation gave the Commonwealth Government the power to legislate in regard to its currency.

Almost a decade later, the legislation for the country's currency was enacted by the Labor Government of Prime Minister, Andrew Fisher. Known as the *Australian Notes Act 1910*, it prepared the way for the printing of the nation's first series of banknotes, assigning responsibility for their issuance to the Commonwealth Treasury. The continuing use of private banknotes was discouraged by an annual tax of 10 per cent.<sup>2</sup> Prime Minister Andrew Fisher calls for three cheers at the ceremony for the laying of the foundation stone for the Commonwealth Bank of Australia's Head Office, Sydney, 14 May 1913.

Reserve Bank of Australia Archives, PN-000839.





Crowds gather for the opening of the Commonwealth Bank of Australia's Head Office, Martin Place, Sydney, 22 August 1916. The sign in the background relates to the First World War: 'Enlist the Empire Calls'. Reserve Bank of Australia Archives, PN-000850.



The establishment of a governmentowned bank, comparable to the Bank of England, was promoted at this time by King O'Malley, who had been elected to the first Federal Parliament. The proposed bank would issue the nations' banknotes, conduct the Government's accounts and hold the reserves of the banking system.

In 1911 the Commonwealth Bank, the forerunner of the Reserve Bank, was founded and the following year Denison Miller was appointed the Bank's first Governor. Despite the earlier proposals, the Commonwealth Bank was not given initially the role of central banking, and the issuing

Installation of the flagpole on the roof of the Commonwealth Bank of Australia's head office, 12 April 1916, looking across to the clock tower of the General Post Office, Sydney Reserve Bank of Australia Archives. PN-000798. of banknotes remained with the Commonwealth Treasury. In 1920 the responsibility was transferred to the board of directors of the new Note Issue Department within the Commonwealth Bank of Australia. known as the Notes Board. It passed to the Bank's board of directors in 1924 when the Commonwealth Bank Act was amended with the purpose of establishing a central bank. The Commonwealth Bank itself became the sole issuer of the banknotes from 1945 until 1960. when this function passed to the Reserve Bank of Australia as the nation's central bank.



IN 1911 THE COMMONWEALTH BANK, THE FORERUNNER OF THE RESERVE BANK, WAS FOUNDED.

Commonwealth Bank of Australia's Head Office, Martin Place, Sydney, which opened in 1916. Branches had been established in all state capital cities, Canberra, Townsville and London. Reserve Bank of Australia Archives, PN-001624.

The sign 'Before Sunset' relates to the Bank's sale of loan bonds to support the First World War effort. The Bank's response to the war developed its role in the distribution of banknotes and in organising the nation's finances. Commonwealth Bank of Australia. NOTE ISSUE DEPARTMENT, FIRST MEETING OF THE BOARD, SYDNEY, FRIDAY, 1714 DECEMBER, 1920.



Photograph by Milton Kent of the first meeting of the Notes Board, 17 December 1920, showing left to right: Charles Cerutty, John Joseph Garvan, Sir Denison Miller (Chairman), Hugh Traill Armitage (Secretary), and George Swinburne.

Reserve Bank of Australia Archives, PN-001879.

SIR DENISON MILLER, K.C.M.G., (Chairman) J.J.GARVAN, ESQ. H.T.ARMITAG C.J. CERUITTY, ESQ. HON.GEO.

H.T. ARMITAGE, ESQ (Secretary) HON. GEO. SWINBURNE

## INTERMEDIARY MEASURES



# Superscribed Australian £20 banknote, previously a Bank of Adelaide banknote.

Reserve Bank of Australia Archives, NP-002100.

Although the 1910 legislation for a national currency was in place, the Commonwealth Treasury was unprepared to issue quickly the new banknotes. As an intermediary measure the Government purchased banknotes from the private banks and the Queensland Government, and overprinted, or 'superscribed', them with the words: "AUSTRALIAN NOTE Payable in Gold Coin at the Commonwealth Treasury at the seat of Government."<sup>3</sup>

The superscribed banknotes were Australia's first banknotes that were acceptable across the nation. It was intended to withdraw them once the new banknotes were issued, but they were kept in circulation owing to the shortage of currency following the outbreak of the First World War in 1914.

## PUBLIC PARTICIPATION

As a first step towards creating unique Australian banknotes, designs were invited from the public by the Commonwealth **Treasury in November 1910 with** prizes of £50 being offered. The guidelines specified that the designs should be simple enough that a watermark could be seen and three colours only were to be used for either side of the banknote.<sup>4</sup> Preference would be given to designs that included images of the country's scenery and the Commonwealth coat of arms, which was first authorised by King Edward VII in 1908.

While the entries received from the public were judged generally to be unsuitable, a design for the £5 banknote showing waterfalls in Victoria and New South Wales was incorporated later into the design of the £100 banknote. An Advisory Board was established to assist the Commonwealth Treasury in the selection of the banknotes' imagery. Its members included Bernard Hall, a prominent artist and Director of the National Gallery of Victoria, and the art decorators, Paterson Brothers, who are remembered for their interior design of Villa Alba, Melbourne, now a house museum.

By late 1911 the Government had approved the banknotes designs. In May of the following year, Thomas Harrison, the manager of a London printing company, was appointed to the position of Australian Note Printer, and printing works were established at the King's (later Queen's) Warehouse, Flinders Street Extension, Melbourne. The British firm, Bradley Wilkinson and Company, developed the designs and engravings for the banknotes. THE HONOURABLE JUDITH DENMAN, THE DAUGHTER OF THE GOVERNOR-GENERAL, LORD DENMAN, NUMBERED THE INAUGURAL BANKNOTE.

> On 1 May 1913 a ceremony was held to launch the first Australian banknote – the ten shilling denomination. At the King's Warehouse, Melbourne, the Honourable Judith Denman, the daughter of the Governor-General, Lord Denman, numbered the inaugural banknote, which was presented to her as a memento. The Prime Minister, Andrew Fisher is seen to the right of Judith Denman, and the Australian Note Printer, Thomas Harrison, is beside him. Reserve Bank of Australia Archives, PN-010329



NUMBERING THE FIRST COMMONWEALTH NOTE - MAY 157 1913 .

# ECONOMIC ENVIRONMENTS

The new national banknotes were issued between 1913 and 1914. They were printed on linen paper that enabled the inks to penetrate the surface but not appear on the reverse side, so preventing easy alteration. The banknotes passed through the printing machine seven times to receive different coloured impressions; the colours of the printing were closely related to impede separation and hinder counterfeiting through photography.

The new currency represented eight denominations from 10 shillings to £1,000. The front of each banknote showed the Commonwealth coat of arms with the badges of the country's six states.<sup>5</sup> The images selected for the back of the banknotes displayed diverse views of regional Australia – coastal, pastoral and, for mining, subterranean. The banknotes' landscapes were presented in varied, decorative borders and 'frames' that enhanced their characteristics and sense of pictorial depth. The succession of scenes complemented the coat of arms' badges and constituted a type of panoramic mural of the federated nation, encompassing the majority of its states. Wheat is harvested and oysters cultivated in New South Wales; sheep graze in South Australia and Tasmanian trees are felled Victoria demonstrates advances in engineering. While specific to their individual states, the scenes also suggested expanses of the country as a whole.

The banknotes' illustrations alternated between natural environments and industrialised scenes in a gallery of vistas that reflected the main sources of the country's economy. The banknotes reminded the public of the close connection between the exertions of industry and the rewards of prosperity, testified by possession of the banknotes themselves. Water is harnessed for irrigation in the depiction of the Goulburn Weir, while views of free-flowing waterfalls evoke the pleasures of holiday resorts in the Blue Mountains of New South Wales and Victoria's Upper Yarra River.



Details of the back of the 10 shillings and £100 banknotes showing the Goulburn Irrigation Weir, Victoria and the waterfalls of the Upper Yarra River, Victoria (left) and Leura, New South Wales (right).

Reserve Bank of Australia Archives, NP-004209 and NP-003504.



THE BANKNOTES REMINDED THE PUBLIC OF THE CLOSE CONNECTION BETWEEN THE EXERTIONS OF INDUSTRY AND THE REWARDS OF PROSPERITY.

# **First Series** | 1913–1914

The first banknotes were signed by the Secretary and the Assistant Secretary of the Commonwealth Treasury, and the bottom centre was imprinted "T.S.Harrison, Australian Note Printer". The banknotes included the statement: "The Treasurer of the Commonwealth of Australia promises to pay the Bearer in gold coin on Demand at the Commonwealth Treasury at the Seat of Government."





Front of the 10 shillings banknote, intaglio with letterpress background, first issued in May 1913. Reserve Bank of Australia

Reserve Bank of Australia Archives, NP-004209. The back image of the banknote featured the Goulburn Irrigation Weir, Victoria, built in the late 1880s as part of a major irrigation scheme to mitigate the effects of drought. Between 1911 and 1915 there were especially low rainfalls and so the choice of this image and those of agricultural prosperity may have sought to improve national morale.





Photograph by Charles Rudd of Goulburn Irrigation Weir, Victoria. State Library of Victoria, H393585/51.

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Back of the 10 shillings banknote, intaglio with letterpress background, first issued in May 1913.

Reserve Bank of Australia Archives, NP-004209.





Front of the £1 banknote, intaglio with letterpress background, first issued in September 1913.

Reserve Bank of Australia Archives, NP-003530.

The back image of the banknote depicted gold miners of the Victoria Quartz Mine in Bendigo, Victoria which was the world's deepest gold mine at that time. The miners are working at approximately 1.2 kilometres beneath ground. The three miners at the centre of the image are W. Healey, F. Smith and J. Beveridge (left to right). The sketch is based on a photograph by William Vincent Kelly.







Back of the £1 banknote, intaglio with letterpress background, first issued in September 1913. Reserve Bank of Australia Archives,

NP-003530.

Front of the £5 banknote, intaglio with letterpress background, first issued in September 1913.

Reserve Bank of Australia Archives, NP-002132.







Hawkesbury River,

New South Wales,

FL1671694.

including Kangaroo Point and Sanitorium Hotel.

State Library of New South Wales,

#### Back of the £5 banknote, intaglio with letterpress background, first issued in September 1913.

Reserve Bank of Australia Archives, NP-002132.



Brooklyn, New South Wales. This town originally housed workers who built the Hawkesbury River Railway Bridge in 1889, then the longest bridge of its type in Australia. Around the turn of the century, the Hawkesbury area was also central to the expanding fishing and oyster cultivation industries.

The back image of the banknote portrayed the Hawkesbury River, near

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Front of the £10 banknote, intaglio with letterpress background, first issued in October 1913.

Reserve Bank of Australia Archives, NP-002133.

The back image of the banknote was adapted from a photograph of wagons transporting wheat grain to Narwonah railway station in central New South Wales, 1909, the year of a record crop.

State Archives & Records of New South Wales.





Back of the £10 banknote, intaglio with letterpress background, first issued in October 1913.

Reserve Bank of Australia Archives, NP-002133.

Front of the £20 banknote, intaglio with letterpress background, first issued in June 1914.

Reserve Bank of Australia Archives, NP-002136.





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Photograph by J.W. Beattie titled 'Tree felling, Gray Bros. Adventure Bay Saw Mill.' The axemen are Edward David Murray Senior (back left); Edward David Murray Junior (front left); Tom Farrell (front right); Jack Cairns (back right). The back image of the banknote depicted timber cutting on Bruny Island, Tasmania. The tree being felled is believed to be a blue gum, a timber used by shipbuilders in Britain.

University of Tasmania, Australia, Special & Rare Collections.

#### Back of the £20 banknote, intaglio with letterpress background, first issued in June 1914.

Reserve Bank of Australia Archives, NP-002136.



Front of the £50 banknote, intaglio with letterpress background, first issued in April 1914.

Reserve Bank of Australia Archives, NP-003499.







Photograph by Charles P. Scott of Merino sheep at Bungaree, South Australia, 1906. Courtesy of the Hawker family.



#### Back of the £50 banknote, intaglio with letterpress background, first issued in April 1914.

Reserve Bank of Australia Archives, NP-003499.

The photograph was used on the back of both the £50 and £1000 banknotes to denote the significance of the wool industry, which accounted for around 40 per cent of the country's exports. The photograph was taken in October, 1906 after the flock of some 1,960 sheep had been herded approximately 480 kilometres to Bungaree from another of the Hawker family's properties, Parallana in the Flinders Ranges.



Front of the £100 banknote, intaglio with letterpress background, first issued in February 1914.

Reserve Bank of Australia Archives, NP-003504.

The back images of the banknote featured waterfalls on the Upper Yarra River, Victoria and at Leura in the Blue Mountains, New South Wales, which were popular holiday destinations. The vignettes of the images recall the style of the period's postcards.

> **'Upper Cascade La La Falls'.** Upper Yarra Museum, Victoria.





Lower Leura Falls, c.1900-1910, albumen photoprint. State Library of New South Wales, PXE 711/316.



Back of the £100 banknote, intaglio with letterpress background, first issued in February 1914. Reserve Bank of Australia Archives,

NP-003504.

Front of the £1000 banknote, intaglio with letterpress background, first printed in 1914.

Reserve Bank of Australia Archives, NP-002147.

# Incineration of £1,000 banknotes in 1969.

Reserve Bank of Australia Archives, PN-005414.

2 007751 2 007751 promises to pay the Bearer One Thousand Pounds in gold coin be demanders the Common all' Treesu st the seat of devernment ACCIPTANT SECRETAR

Although the £1,000 banknotes were circulated initially, they were considered to be of poor quality and susceptible to forgery, and so in 1915 the Commonwealth Treasury required that the banknotes be used only by banks for settlements with each other. Subsequently, the banknotes were replaced by cheques and most of the remaining £1,000 banknotes were destroyed in 1969. Any banknotes still in private hands have been auctioned for large sums.



#### Back of the £1000 banknote, intaglio with letterpress background, first printed in 1914. Reserve Bank of Australia Archives,

NP-002147.

# FISHER'S FLIMSIES

In the early 1900s, nearly 90 per cent of Australian currency was in the form of coins rather than banknotes. To emphasise that the 10 shilling banknote was equivalent to a half sovereign gold coin, it was overprinted in red with the words 'Half Sovereign' from 1914.

In contrast with coinage, the banknotes of fine linen paper deteriorated quickly with use. They were ridiculed by the newspapers as 'Fisher's Flimsies' in criticism of Prime Minister Andrew Fisher's enthusiasm for the new currency. Members of the Commonwealth Liberal Party had been opposed to the introduction of the series owing to its perceived disadvantage to private enterprise, and the loss of profits that had been obtained previously by private banks.<sup>6</sup> Being the most circulated banknote, the 10 shilling note was also thought to carry germs and spread disease. As a result of inflation during the First World War, there was an increased issue of paper currency which helped to accelerate its eventual acceptance.

# Front of the 10 shillings banknote, overprinted with Half Sovereign.

Reserve Bank of Australia Archives, NP-004261.



# EMERGENCY ISSUE

As currency became scarcer with the outbreak of the First World War, an emergency £1 banknote was introduced in 1914. Brightly coloured, it was known informally as the Rainbow Note. Although the banknote could be printed expediently owing to the absence of security features, it was soon counterfeited and withdrawn from April 1915.

As the demand for silver increased with the war, coins threatened to become more valuable than their denomination. A banknote for five shillings was prepared to replace the coin during 1916, and it became the first Australian banknote to include a portrait of the British Monarch. The threat abated, however, and the banknote was never issued.



The £1 banknote, known as the Rainbow Note, 1914.

Reserve Bank of Australia Archives, NP-003972.



The unissued five shillings banknote, with a portrait of King George V, 1916. Reserve Bank of Australia

Archives, NP-003961.

### HOMAGE TO HARRISON

New printing works were commissioned in 1924 at Victoria Parade, Fitzroy, Melbourne to replace the King's Warehouse premises, where the first series had been printed. The change reflected the transfer of responsibility for the banknotes' issuance to the Commonwealth Bank's board of directors. Larger and more secure than the previous premises, the printing operations remained at this address until 1981 when they were moved to Craigieburn, Victoria.

The second series of banknotes was printed between 1923 and 1925 with the intention of improving their security and preventing the counterfeiting that had occurred with the first series. The second series became known as the Harrison Series as a tribute to the Australian Note Printer, Thomas Harrison. LIKE THE FIRST SERIES, THE NEW BANKNOTES ATTRACTED CRITICISM RELATED TO THEIR DURABILITY AND QUESTIONABLE HYGIENE.



The banknotes reproduced most of the images from the first series, but differed from it in a number of ways. As the general public rarely used banknotes higher than £10, the second series was limited to four denominations: 10 shillings, £1, £5 and £10. The new banknotes were smaller in size, allowing six rather than four banknotes to be printed per sheet, thereby increasing efficiency. Strong colour contrasts between the denominations assisted in distinguishing between them.

Additional measures were introduced to improve the new series' resistance to counterfeiting. The banknotes were printed on watermarked paper of high quality, and the choice of colours, their intricate backgrounds and patterns

#### Thomas Harrison at his desk, *Punch* (Melbourne weekly).

Reproduced courtesy of News Ltd.

were especially difficult to reproduce by photography. The portrait of the British monarch King George V was included on each denomination, possibly to enhance the banknotes' security as it was thought that portraits were more difficult to counterfeit.<sup>7</sup>

Like the first series, the new banknotes attracted criticism related to their durability and questionable hygiene, especially following the influenza pandemic of 1918. The artist Louis McCubbin publicly criticised the definition of the banknotes' printing. At this time he was designing dioramas of First World War battles for the Australian War Memorial, and he recommended reproducing sculptural images on the banknotes to improve their clarity.<sup>8</sup> The suggestion was realised with the design of the 1930s and 1950s banknotes, the subject of the second guide in this series.



King George V. Reserve Bank of Australia Archives, NP-003093.

THE SECOND SERIES BECAME KNOWN AS THE HARRISON SERIES AS A TRIBUTE TO THE AUSTRALIAN NOTE PRINTER, THOMAS HARRISON.



Front of the half sovereign (10 shillings) banknote, intaglio with letterpress background, and full watermark of basket-weave pattern, first issued in September 1923.

Reserve Bank of Australia Archives, NP-003538.

-1925

Harrison Series: 1923



Back of the half sovereign (10 shillings) banknote, intaglio with letterpress background, and full watermark of basket-weave pattern, first issued in September 1923.

Reserve Bank of Australia Archives, NP-003538.

Front of the £1 banknote, intaglio with letterpress background, and full watermark of basket-weave pattern, first issued in June 1923.

Reserve Bank of Australia Archives, NP-003585.





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Back of the £1 banknote, intaglio with letterpress background, and full watermark of basket-weave pattern, first issued in June 1923.

Reserve Bank of Australia Archives, NP-003585.

As the significance of gold mining had declined since the first series of banknotes, the image of the Victoria Quartz Mine was replaced on the £1 banknote by E. Phillips Fox's painting.



The back of the banknote reproduced *Landing of Captain Cook at Botany Bay, 1770,* by E. Phillips Fox, oil on canvas, 1902. National Gallery of Victoria.

Front of the £5 banknote, intaglio with letterpress background, and full watermark of basketweave pattern, first issued in March 1924.

Reserve Bank of Australia Archives, NP-003602.





Harrison Series: 1923-1925

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Front of the £10 banknote, intaglio with letterpress background, and full watermark of basket-weave pattern, first issued in May 1925. Reserve Bank of Australia Archives, NP-003602.





Reserve Bank of Australia Archives, NP-003602.



Back of the £10 banknote, intaglio with letterpress background, and full watermark of basket-weave pattern, first issued in May 1925.

Reserve Bank of Australia Archives, NP-003623.

### COMMON WEALTH

The Federation of Australia sought to unify the nation in practical and symbolic ways. Similarly, the new banknotes served this dual role with a national currency that conveyed shared values through its imagery. Collectively, the individual scenes of the banknotes created a panorama of the country that reflected its landscape, industry and economy. Depictions of agriculture, engineering and labour invoked the means of creating prosperity, which was reinforced by possession of the banknotes themselves.

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The first decades of the twentieth century witnessed the emergence of central banking in Australia with the establishment of the Commonwealth Bank, the forerunner of the Reserve Bank. In the 1920s the Bank assumed responsibility for the banknotes' issuance. This role developed during the century with increasing technical mastery and innovation that saw the introduction of decimal currency, the invention of polymer banknotes and the sophistication of the most recent series, the Next Generation of Banknotes.

COLLECTIVELY, THE INDIVIDUAL SCENES OF THE BANKNOTES CREATED A PANORAMA OF THE COUNTRY THAT REFLECTED ITS LANDSCAPE, INDUSTRY AND ECONOMY.







Detail of the £5 banknote showing the Commonwealth coat of arms, first issued in March 1924. Reserve Bank of Australia Archives, NP-003602.

Detail of Commonwealth Bank of Australia's façade, Moore Street (now Martin Place), Sydney, April 1918, showing the Commonwealth coat of arms, flanked symmetrically by cartouches representing the Australian states. Tank Week was a promotion for the sale of Ioan bonds to raise funds for the First World War. Reserve Bank of Australia Archives, PN-001623.

# REFERENCES

- 1. The six colonies were New South Wales; Queensland; South Australia; Tasmania; Victoria and Western Australia.
- Prior to 1910, the issuance of banknotes was not regulated and the banknotes of private banks (and of the Queensland Government) continued to circulate as Australia's paper currency. The total amount of banknotes that banks could issue was limited by their gold reserves.
- The ambiguous wording 'seat of government' might be explained by the fact that at the time of the notes' superscription, Melbourne was designated Australia's temporary capital city. The name of the future capital – Canberra – would not be decided until 1913 and Parliament would not relocate there until 1927.
- 4. Ultimately, a watermark was not incorporated into the design of the first banknotes.

- 5. The revised Commonwealth coat of arms was granted by King George V in 1912. Whereas the official version shows the state badges in two rows of three, they are presented in three rows of two on the banknotes.
- 6. The Labor Call, 20 November 1913.
- 7. The printers for British India had conducted an inquiry into banknote printing that found portraiture increased the difficulty for counterfeiting. Reserve Bank of Australia Archives, Note Board Papers, N-N-3.
- G.C.Dixon, Ugly Stamps Criticised by Artists "Disgrace to Australia", The Herald (Melbourne), 4 October 1923, p. 12.

# POCKET GUIDES TO AUSTRALIAN BANKNOTES

Pocket Guides to Australian Banknotes is a series of booklets that represents a complete catalogue of Australia's issued banknotes. The series comprises:

- Guide 1. Australian Panorama, the Nation's First Banknotes (1913–1914; 1923–1925)
- Guide 2. Change and Stability, Australian Banknotes of the 1930s and 1950s (1933–1934 and 1938–1940; 1953-1954)
- Guide 3. A Decimal Reformation, the Introduction of Decimal Currency to Australia (1966–1967; 1973; 1984)
- Guide 4. The Reinvention of Banknotes, the Australian Innovation of Polymer Banknotes (1988; 1992–1996; 2001)
- Guide 5. A New Vision for Banknotes, Next Generation of Banknotes (2016–2020)

The guides are a companion to the Reserve Bank of Australia Museum, where visitors can view examples of Australia's banknotes within their social and economic context. Further information concerning the role of the Commonwealth Bank of Australia during World War I may be found in the publication, *Save & Serve, The Bank and World War I* (Reserve Bank of Australia, 2015) and the Bank's website, *From Bank to Battlefield* **<museum.rba.** gov.au/exhibitions/from-bank-tobattlefield>.

More detailed information concerning the banknotes is contained in Michael P Vort-Ronald's *Australian Banknotes* (published by Michael P Vort-Ronald, second edition, 1983).

Notable Australians, Historical Figures Portrayed on Australian Banknotes (Reserve Bank of Australia, 2016) is a publication containing biographies of all identities who have been represented on the banknotes, coupled with photographs or paintings of the individuals. See <museum.rba.gov.au/exhibitions/ notable-australians>

#### Reserve Bank of Australia Museum Visitor Information

#### 10.00 am – 4.00 pm Monday to Friday

Closed Public and NSW Bank Holidays.

Admission to the Museum is free.

Lifts are available for entry to the Museum.

Hearing loops are available for booked presentations.

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