



VOLUME 4



JOURNAL OF THE
NUMISMATIC ASSOCIATION
OF AUSTRALIA.

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CHEQUES IN AUSTRALIA – A COLLECTING OVERVIEW

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Cheques have been used in Australia since settlement 200 years ago as a supplement to, or substitution for, coins and notes.

They still form a very large part of banking transactions, although their use is diminishing as plastic credit cards and direct-debiting gains popularity. Some suggest that credit cards will replace cheques and notes and coins altogether, but this is not likely.

Over 50 banks issued their own banknotes before the Commonwealth Government began note issue in 1910. Many others, both private and government, existed alongside the note issuing banks and all trading banks issued cheques of their own designs, and allowed customers to produce specially designed forms, or overprint the banks' standard forms.

Handwritten Tasmanian cheques over 150 years old are relatively easy to obtain. Amalgamations and absorptions of banks produced new bank names and made old names obsolete. By the mid-1900s the numbers of different banks had shrunk considerably and cheque forms became more standardised.

From the mid-1800s to the mid-1900s particularly, a form of cheque was a sight note or Promissory note referred to as a bill for collection in banking terminology.

These were similar to cheques, but instead of being payable on demand, they were a promise to pay an agreed amount of money at a time in the future, usually three to six months, but sometimes for as little as one month, or as long as twelve months.

Such arrangements were suited to people such as farmers who may have needed farm machinery to reap their crop, but couldn't pay until they had received payment for their crops. The seller of the machinery would have the buyer sign such a note and lodge it in the bank to be honoured on the due date. This still allowed the option of extension of time to pay if both parties agreed, and the bank charged commission.

These promissory notes ranged from totally handwritten forms, public forms printed by stationers, or specially printed forms printed

for the various companies. All form a very interesting record of the evolution of past companies.

Other forms of banking paper include Sola of Exchange, First and Second of Exchange, Fixed Deposit Receipts and many others.

Stamp duty applied on cheques from the early 1900s and some late 1800s unused forms have been seen with embossed stamp duty.

Embossed stamp duty commenced at one penny and progressed to 1½d, 2d and 3d in the £.s.d. series. Some forms used by banks, societies and government bodies did not require duty. Other forms without duty can have duty stamp/s added. Increases in the amount of duty after the printing or embossing of cheque forms also necessitated additional stamps, or less frequently, additional embossing. Later issues had the amount of duty printed on the face of the cheques.

When decimalisation commenced in 1966, forms were modified from £ to \$ and stamp duty commenced at 5 cents, later changing to 6, 8 and 10 cents, where it has remained, expressed as "Stamp duty paid".

Early decimal cheques appeared with embossed duty, and some used transitional printed duties such as Stamp duty D.C. paid".

The various States used different types of embossing or different designs for printing stamp duty on the cheques. Some States have since abolished stamp duty on cheques, providing yet another variety to collect.

In the 1970s micro-encoding commenced on cheques to provide cheque number, bank branch and account number. Cheque forms were further regulated to enable electronic reading and debiting.

In Australia, cheques were usually retained by the bank of origin and stored for seven years before being destroyed. Some of these storage places, if sufficiently remote or unused such as attics or cellars, have yielded cheques over 120 years old for present-generation collectors.

Other quantities surface from time to time as buildings are demolished or extended.

Generally, because of bank regulations and the constant need for more storage space, most are destroyed without regard to the study and preservation of this part of banking history.

In America and other countries, the cheque forms are returned to the customer as a form of receipt. Thus there is much more material available to collectors in those countries.

For example, almost every town in America has its own banking company and this enlarges the collecting field enormously. I have been corresponding and swapping cheques with a "check" collector in America for some years who at last count, had something like 30,000 different cheques in his collection. At around 7,000, I have a long way to go!

In Australia, cheques were and still are, returned to some societies, large businesses or government departments for audit purposes, although these are often customer printed forms.

When a cheque account is closed there are usually cheque books or part-books of unused forms left over. In most instances these are returned to the bank for a refund of the pre-paid stamp duty.

However, sometimes books are not returned and these provide an excellent source of material. When collecting unused cheque forms it is advisable to also keep the cheque butts attached, as variation and different printers imprints can occur on the butt or stub. Some quite old books surface from time to time.

With the recent introduction of foreign banks into Australia and the use of cheques by credit union customers, the scope and variety of cheque forms presents a real challenge to the collector.

There are many ways to collect cheques -
Unused (blank)
Unused, cancelled
Uncashed
Paid (used)
Specimen

In addition, there may be the following variations in apparently the same design -
Different colours, makers imprints, States, endorsements, sizes, stamp duties and overprints of other banks.
Bank cheques
Traveller's cheques.

Some banks provide specimen cheques for customer reference and these can either be endorsed "Specimen" or "Cancelled" by printing, perforation or stamping.

Uncashed cheques can be obtained by failing to cash cheques for small amounts from Government bodies, or companies. Others can be acquired from friends or associates, made out to the collector for a very small amount, with a promise never to negotiate.

Paid cheques are interesting for they show dates, signatures, payees and amounts, as well as bank stamps and endorsements.

Unused cheques are usually in "mint" condition, so both have a different role to play in the field of collecting.

Collectors should start with those cheques most easily accessible to them, by seeking out friends who have cheque accounts. The ANZ Bank has issued four different sets of five-picture series cheques in the last 10 years or so, and the State Bank of Victoria, (formerly State Savings Bank of Victoria) has issued at least three different picture series.

Initially, collecting could be directed at obtaining as many different banks' forms as possible. When this avenue is exhausted, further collecting can be stimulated by seeking the variations in styles or the name changing which has occurred recently in such banks as the National Australia Bank and the Commonwealth Bank. There are also many thousands of different business-printed forms.

Some collectors concentrate on older cheques with attractive vignettes, others on modern picture-series cheques. Collecting historical cheques or cheques with the signatures of well-known or important people is another sideline. Thematics can be a feature of collecting or simply specialising in the collecting of cheques with significant dates such as Christmas Day, January 1, April 1, July 4 or the collector's birthday, and so on.

Whilst large, attractive, scarce or unusual cheques will command a premium, the more common types of decimal cheques can sell for as little as one dollar and the more common types of pre-decimal cheques for as little as two dollars.

To encourage stability and promote growth in the hobby, the following retail price guide for the more common types of forms is recommended.

Decimal from 1966 - \$1	1890-1899 - \$7
£.s.d. 1960-1966 - \$2	1870-1889 - \$8
1940-1959 - \$3	1860-1869 - \$10
1920-1939 - \$4	1850-1859 - \$14
1900-1919 - \$5	Before 1850 - \$20 onwards

The recommended guide would apply to cheques in Very Fine to Extremely-fine condition without tears, although spike holes must be acceptable in used forms as this was the practice of the times. Lesser-condition cheques would be priced down accordingly.

One of the greatest difficulties at present in Australia is the lack of other collectors to exchange with. There are no cheque collecting clubs or societies in Australia. Collectors are scattered world-wide and nearly all would prefer to swap rather than buy or sell cheques.

In America there is the "American Society of Check Collectors" formerly the "Check Collectors Round Table". The current secretary is Charles V. Kemp, 2075 Nicholas Ct., Warren MI 48092, U.S.A. The annual fee is US\$10 which also entitles the member to receive four issues of their magazine "The Check Collector".

The largest newspaper-magazine in America solely devoted to paper money, cheques, stocks, bonds and scrip is the "Bank Note Reporter", issued monthly. Subscriptions are US\$25 for one year, US\$48 for two years, or US\$70.50 for 3 years, payable to Krause Publications, 770 E. State St., Iola, WI 54990, U.S.A.

In England there is the "British Cheque Collectors Society" c/o Treasurer/Membership Secretary, Tony Beale, 107 Brandreth Road Cardiff, CF2 5LE, England. Annual subscription is UK £5.

The hobby is served in England by the well-presented magazine "Bond & Banknote News" published by Squirrel Publishing Ltd., for M. Veissid & Co., Hobsley House, Frodesley, Dorrington, Shrewsbury SY5 7HD, England. Annual subscription to receive this bi-monthly magazine is UK £7.50 within the U.K., UK £9 for Europe and UK £12 for outside Europe.

Cheque collecting in Australia is very much in its infancy, but it has the potential to expand into a very popular hobby with appeal for just about everyone, capable of providing many years of relatively inexpensive collecting.

