

SUBMISSION

THE NEED FOR A POST OFFICE SAVINGS BANK

I make a number of numbered points.

1. A major lacuna in the activities of Australia Post is the non-existence of an Australia Post Office Savings Bank. All those branches, lack of use...! The United Kingdom Post Office has had a Savings Bank at all its branches since before WWII.
2. I advocate that Australia Post should start a Savings Bank in every Post Office branch. Given their experience with banking agencies, it is not a major logistic issue.
3. Nearly every country town, and most suburbs, nowadays lack a branch of any bank. They have all been closed. The banks say "It is not economic!" The reality is that monetary conditions have changed. While until about a decade ago, the source of deposits, that banks used for lending, were the branches. Nowadays the banks get the bulk of their money from the Reserve Bank. Banks no longer need their branches to obtain deposits! They just have an occasional office to make (housing) loans.
4. If Post Offices could provide banks services, deposits, transfers, lending, there would be a major improvement in the vitally necessary banking services in the country. As there is a Post Office or Post Office agency in nearly every small town and suburb, there would be a bank in nearly every small town and suburb. There would be massive benefits to the economy and the public.
5. The banks are afraid that if the Post Office Savings Bank gets started, they will be forced out of the house lending market. From the economic point of view that would be a good development. Banks would then be forced back to supplying business loans. They have almost totally vacated this market, especially for small business.
6. A Post Office Savings Bank can be a major source of government funding. The deposits could be a major source of borrowing for the government, which owns the Post Office. This could reduce the National Debt, due to these virtually interest free loans,
7. Why hasn't the Australian Labor Party got onto this issue, instead of just trying to extend welfare on a rapidly reducing tax base? Why is this not an issue for the other political parties? The National Party too will support a Savings Bank in every small town. I am amazed that all these Parties have consistently looked the other way.
8. The gain from having a Post Office Savings Bank are obvious. The costs doing it are low. Yes, it will be major competition for the banks. And they will spend millions trying to prevent one being set up. But you have a choice – political corruption against a major benefit for the Australian community.

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