

17th December 2021.

The secretary,
The Regional Banking Taskforce,
Parkes. ACT 2600.

Dear Sir/Madam,

Re: Establishment of Australian People's Postal Bank

I wish to argue for the establishment of 'The Australian People's Postal Bank,' under three points. These being:

1. Benefits for the general public (John Citizen)

John Citizen has the peace of mind knowing his deposits in the postal bank cannot be sequestered to prop up failed speculative banking instruments of the 'big four' Australian banks. He may continue to use cash to transact daily business. Service fees are at a minimum whereas commercial banks have been known to levy relatively large amounts. A personal example is that the bank charged me \$40 to receive \$260 sent me from overseas through their 'swift code' system. The postal bank would be able to offer its clients more favourable interest rates on cash and term deposits than the commercial banks are prepared to offer. It would also be a convenient vehicle for John Citizen to be able to invest in 'government bonds' in smaller units so that he could 'put away' spare cash from time to time against 'a rainy day.'

2. Benefits for small business, national infrastructure schemes, maximising employment opportunities for all sectors of the general public.

It would be easier for small businesses in a local area to raise loans in order to expand their operation to avoid be swamped by big business or be swallowed by big business. I understand small business employs more personal than does big business. More people then benefit from a feeling of self worth and achievement, thus raising the social morale with many attendant community benefits. (Happiness factor)

Moneys not utilized in the above ways can be used to support a national infra structure fund. Australia is in need of sophisticated and efficient high speed interstate/city railway systems. It is in need of a national water storage and reticulation system to benefit agriculture. It is in need of primary industries, to manufacture strategic products necessary for the support of our economy. An example that comes to mind is that we produce no tyres here. All are imported. Should our suppliers refuse to supply, our trucking system fails, our army could not function, nor could aircraft take off from our aerodromes. We need to benificate our minerals. Instead of shipping out raw ore and high grade anthracite, we could produce pig iron ingots for local consumption and export by linking the coal mines of Queensland and the ore mines of Western Australia with high capacity rail and setting up smelters convenient to harbours along the rail route. John Citizen would be proud to know that his deposits go toward developing such schemes which build up the economy and provide job security.

3. Benefits for the 'Big Four Banks' through competitive discipline.

When I returned to Australia in 2001, I noticed the two big supermarket chains offered 'home brand' products that were most reasonable. I also noticed that identical sales promotions happened at both

chains but were a week or two apart. So if I missed 'a bargain' at one chain all I needed to do was wait a week or so and get that 'bargain' at a store of the other chain. I suspected collusion. This was confirmed in my mind when their 'home brand' products started increasing in price by the same amount in both chains.

Then along came Aldi. Means both foul and fair were used, I dare say by both chains, to block Aldi's entry into the local market. Aldi had the money to rebuff their attempts and expanded its operation country wide. Aldi's grocery products are basically 'home brands.' I noticed that Aldi's products were priced at the price the other two chains had previously offered theirs. Examples that come to mind are flour, bleach, tea and sugar. It was not long before the two chains had reduced their 'home brands' to the price that Aldi was offering them. Now the two chains are offering all sorts of 'loyalty' incentives with complicated price reductions. The shopper does not really know what price he/she is paying. At least at Aldi the shopper knows that the price marked is the price he/she pays AND it is lower than the price of branded products at the other two chains.

The shopper has a choice and can exercise it. Grocery prices were stabilised through the competition offered by Aldi. I understand suppliers to Aldis are paid on invoice, whereas this was not the policy of the two chains. There was now discipline in the market and the consumer protected from collusive exploitation by the two dominant and dominating chains.

My point in offering this example is that introducing the government backed 'Australian People's Postal Bank', would likewise offer John Citizen personal choice and protection from the exploitative collusive practices of the 'Big Four' Australian banks. Discipline would be brought back into the market without the Government having to legislate against all sorts of specific malpractices around which loop holes would inevitable be found.

I sincerely believe establishing such a bank would go some way toward assuring John Citizen the Government has his interests at heart.

Sincerely,

Gerrit Frederick van der Tang,