

Dear Sir/Madam,

I wish to make a submission to the Senate inquiry investigating issues surrounding access of small business to finance.

I believe Australia needs a government-backed development bank which can provide finance to small business.

Such a bank could lend to businesses, farmers, and mortgages should the commercial banks be forced to restrict lending due to an ongoing crisis in world financial markets. Also this bank can force the commercial banks to be more competitive in their lending and fees charged.

There is such a development bank in Germany, known as KfW. It was established in 1948 and is one of Germany's biggest 10 banks. Such a government bank could be modelled on the KfW.

Kind Regards,

Philip Osmak