

progress



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*the many shapes
of banking*

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PROGRESS is published for the information of the staff of The State Savings Bank of Victoria. Comments from the staff on the contents of Progress are invited, and the editorial team will always welcome original manuscripts, suggestions for future articles and news of staff activities which are likely to interest fellow officers.

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THE MANY SHAPES OF BANKING

"We require of buildings, as from men, two kinds of goodness; first, doing their practical duty well; then that they be graceful and pleasing in doing it; which last is itself another form of duty."

Ruskin, Stones of Venice



South Melbourne



Fitzroy West

Reading these words of Ruskin's which were inspired by the magnificent buildings of 1851 Venice, it occurred to us that although architecture has changed so much in the intervening 117 years, we still require a building to conform to those two principles.

Probably nothing has changed more in the field of architecture over those years than banks.

Gone are most of the dignified, but gloomy, fortresses, with their air of mystery and high partitions screening the staff from the public. Today's banks are built in many shapes and sizes to blend with their environment. Their low level fittings and large windows have done away with the mystery, brought the staff into view and helped create a warm and friendly atmosphere.

In the past year alone, our Bank has built, altered or acquired no less than 138 premises. To see how our current building programme accords with Ruskin's concept, we took a journey around the Melbourne metropolitan areas.

South Melbourne was our first stop, where a handsome, two-storey structure has replaced the once elegant Victorian building which served us since 1882. Although as modern as tomorrow, the new building retains its predecessor's air of dignity, but provides considerably more comfort for both customers and staff. Present manager Mr. C. G. Armstrong commenced his career as a junior clerk in the branch he now manages, and finds the area a vastly different place today. Migrant families, particularly Greeks, make up a large share of the resident community and the rest of his clientele includes people from all suburbs who work in the shops and factories in the area.

Turning north we headed for Fitzroy West, a somewhat derelict area, very close to the city. Our new premises, with a slightly European air, have been erected in anticipation of the new building and population expected in the district. The huge vacant area opposite the bank will soon house up to 6000 people in the vast blocks of flats proposed by the Housing Commission. At present, however, the district is sufficiently dreary to explain why many visitors come into the bank just to admire it, to sit on the comfortable chairs and exclaim "Isn't it lovely!" Because so many of his depositors are Greek, Yugoslav or Albanian, manager Mr. J. A. Roberts is very happy to have linguists Salvatore Aquilina (six languages), Zifko Popomilkov (Yugoslav) and Pat Georgiou (Greek) on his staff.

Our next call was at Heidelberg, where the large, well-established gardens and hilly streets formed a marked contrast to our last stopping place. Our branch there is right in the heart of the shopping centre and manager Mr. E. A. G. Marshall says business hasn't looked back since the new premises were built. Customers and staff all take a pride in this well laid-out, very trimly kept office. Mr. Marshall is particularly proud of the arrangement of his strong



Heidelberg



Lower Plenty

room — the work of accountant Mr. John Barrett, shown here looking up a voucher. John's system makes finding things a very easy job and the periodic destruction of records a simple matter. The fine lettering was done by junior clerk Doug Bird.

From Heidelberg we drove to Lower Plenty. It was opening day at this brand new branch and manager Mr. J. G. H. Hunter and staff were extremely busy. This unusual building was designed for an odd-shaped corner and to blend with the semi-rural environment. The clay brick building is built in a series of hexagons and overlooks a new housing area at the rear. There is a large supermarket next door and with building going on all round it, the branch looks like going ahead rapidly.

The lunch-room at Lower Plenty, as in all our new buildings, is well-equipped, and in this case commands a panoramic view of the still semi-rural surroundings.

The many shapes of banking

Camberwell East offered a sharp contrast to Lower Plenty. Here we were back in an old established residential area and our new premises built on the old site in Canterbury Road are in harmony with the garden setting of their surroundings. Local pride in the building has been very strong, and the garden seat in front of the branch, which the Bank installed at the request of the manager, Mr. W. J. Buchanan, has been appreciated by the young and not so young passers-by.

On the journey back through the city to Aberfeldie, our latest rebuilt premises in the western suburbs, we were most impressed by the striking new office of our Hawthorn branch and couldn't resist taking a photo.

Situated across the road from Essendon High School, the spaciousness of our Aberfeldie office is enhanced by the floor to ceiling windows across the back wall. These windows are shaded by a magnificent mulberry tree which was carefully preserved during rebuilding. Opened in 1958 the branch quickly outgrew its initial shop premises. It has continued to progress well in its new premises and indeed quite a few people said that they had delayed opening an account until the new building was completed.

Looking back over our day's journey we decided that the branches visited were all performing their duty well — they were pleasant places in which to work and transact business; attractive to the eye and in harmony with their surroundings. This small sample seemed to indicate that the \$2,000,000 invested in premises over the year had been well spent.



Staff room Lower Plenty



Aberfeldie



Camberwell East

Hawthorn



IT'S ACADEMIC

A QUIZ WITH A DIFFERENCE



IN television — as in most other things — fashions are ephemeral. There was a time when every channel went strongly for song and dance shows — shades of Sunnyside Up and those miming acts to hit records; murder and mayhem seem more popular in some years than others; audience participation shows have their vogue.

But there is one type of programme which goes on as eternally as brooks used to do in pre-drought times — it seems that people never get tired of a good quiz programme. Bob Dyer has been with us as long as the magic box itself; that \$6000 quiz looks like having an everlasting reign; and now — as from last Tuesday, April 2nd — there is another quiz programme which we fondly trust will achieve something of the same popularity.

We? Well the Bank, because the Bank is the sponsor of this new test of mental gymnastics.

The name of the game is *It's Academic*, and it really does give a different twist to the quiz format. It does *not* offer walking encyclopaedias the opportunity to amass vast sums of money or a garage full of furnishings they have no room for.

It's Academic is a quiz contest between teams from both state and private secondary schools of most denominations — which adds a piquant touch to the viewing of those who have strong feelings on state versus private education.

Three pupils, at Form IV level, from each school form a team, and each segment of the show sees three schools pitted against each other in a four-round contest.

The programme zips along at the pace of an Olympic sprinter. There are none of those frustrating time-lags while a contestant digs into his memory for a half-forgotten date or name; no Barry Jones-like perorations; time wasted means points lost.

One of the best features of the show is the chance it gives every team to come from way behind and win in the last round. In a segment we watched being taped, one of the three schools was so far behind after Round 2 that not even a showboat gambler would have accepted 33/1 about its chance. But in the last round, it came from the clouds to win a finish so close that we were gripping the arms of our sponsor's chair.

This last round, incidentally, differs from the other three, because it is a first-up, best-dressed round in which quickness of the finger on the buzzer is as important as knowledge of the answer.

Reg. Barry, producer of the show, a very learned gentleman, and a one-time U.K. quiz champion, told us he spent many weeks preparing the questions, and we believe him. They are a masterpiece of equality, and no school can complain that its set of questions varied one jot in difficulty from any other.

The 13 winning teams, plus the two highest-scoring losing teams, go into the second round. The five winners plus the most successful loser meet in the semi-finals. The two winners contest the championship.

There is no prize-money involved until the championship is decided. The members of the winning team will each receive \$500 towards their future education, and the winning school will also receive \$500.

You can see *It's Academic* on HSV7, at seven, on Tuesday nights. We think you will like it. In fact, we hope a great many people will find it good viewing.

The compere — and we think he does a very good job — is Danny Webb.



A MATTER

A YOUNG husband who had agreed to let his wife buy a vacuum cleaner nevertheless uttered a mild protest when he found she had bought the de-luxe model instead of the standard.

"But, darling," she explained, "it won't cost more. All we have to do is pay a little longer."

That young wife's logic — or lack of it — would find an echo in the reasoning of a fair percentage of today's young people who have grown up in an era when "a dollar down and a dollar a week" will enable almost anybody to buy practically anything—providing the payments can be kept up.

And, like the young wife, many of them have no real understanding of the total amount they pay for the privilege of having what they want, when they want it. They scarcely appreciate that they are paying for two things — the article itself and the credit that is used to buy it.

We were quite staggered, really, when we conducted a mini-poll amongst some young people in Head Office, to find that several of them did not fully understand the terms—"a flat-rate of interest" or an "effective rate".

Perhaps a note of explanation about our reason for discussing the subject of interest should be inserted at this point. It is not our purpose to decry credit or take a stand about it one way or another. It may be true, as somebody once claimed, that:

Credit is applied faith. It is the power house of prosperity — the dynamo of business.

And, as in any case, the Bank is very much in the business of lending money to Government instrumentalities, municipalities, churches, schools and individuals, an attack on credit would make strange reading in this magazine.

THE COST OF CREDIT

We do feel, however, that people who avail themselves of credit should at least be able to calculate what they are paying for it. Without that knowledge they would not know if they were being charged an unreasonably high rate of interest, and not be in a position to compare rates quoted in different terms.

To obtain definitions in clear terms, we consulted Mr. E. M. ("Mac") Beattie, Personal Loans Officer. Mr. Beattie (pictured above), who is a Bachelor of Commerce and an Associate of the Bankers' Institute of Australasia, has had considerable experience in the dispensing of credit. His present position is, of course, concerned entirely with personal loans, and he has also been one of the directors of the Champion Co-operative Credit Society Ltd. since its foundation in 1960.

Mr. Beattie explained that the notes he kindly prepared for us were: "not written for the enlightenment of mathematicians, but, I hope, for the edification of junior officers and those older men who once knew, but may now have forgotten."

Dealing with what is called a "flat-rate of interest", Mr. Beattie said:

"This is not really a rate of interest at all. But it is used to make an easy calculation of the periodical instalments required to repay a loan over a selected period with interest at an effective rate."

When interest is charged each period on the balance remaining outstanding after each instalment is credited, the rate of interest used in the calculations is the effective rate.

If you look at the accompanying example, you will see how this operates in practice. This shows interest calculated at 9% per annum each month on the reducing balance.

Now let us examine a prevalent form of hire purchase, and compare the flat-rate of interest quoted with the effective rate charged.

RATES ON MOTOR CARS

It appears that a cherished ambition of most young men today, and a good many young women, is "to get wheels" — to buy a car of their own. The majority enter into a hire purchase agreement to do so.

We spoke to an officer of a leading acceptance corporation, who told us that his firm's current rates of interest on hire purchase agreements for motor cars are: 7% flat on new models; 8% flat on the previous model; 9% flat on the three models prior to that; and 10% flat on older models.

What does 10% flat mean?

Expressed as simply as possible, it means that if you borrow, say, \$500, to buy your car, and agree to repay that amount in 24 monthly instalments, the lender calculates the monthly instalment required thus:

$$\$500 \times 2 \text{ (yrs.)} \times \frac{10}{100} \text{ (flat rate)} = \$100.$$

This total interest of \$100 is added to the loan of \$500, making \$600. If we divide \$600 by 24 (months) we find the monthly instalment is \$25.

Obviously the true or effective rate of interest you are paying is much higher than 10%.

When you are quoted a flat rate, how do you work out the effective rate?

Mr. Beattie gave us a formula for doing just that. The result, he pointed out, while approximate only, is close enough for everyday use.

If the flat rate is 10% and the term is 24 months, this is the formula:

$$\frac{10 \times 2 \times 24 \text{ (months)}}{24 \text{ (months)} + 1} = \frac{480}{25}$$

You can take our word for it, or work it out for yourself, but that little sum gives the answer of 19.2%.

Worth thinking about, isn't it, before you enter into an agreement to buy an old car?

If you are confident that you can

OF INTEREST

repay your loan over 12 months, the formula is:

$$\frac{10 \times 2 \times 12 \text{ (months)} \quad 240}{12 \text{ (months)} + 1 \quad 13} = \frac{240}{13}$$

In this case, the answer is 18.46% and, as you can see, the effective rate equivalent of a given flat rate varies with the term of the loan.

Incidentally, although it is not the purpose of this article, the rates quoted above illustrate in sharp contrast the favourable interest rates charged by the Champion Co-operative Society Ltd., which is controlled by our own officers.

This self-help organisation charges a flat rate of 4%. Using Mr. Beattie's formula, you can calculate this as an effective rate of 7.38% over 12 months, or 7.68% over 24 months.

In practice, most Champion Co-op. loans are repayable over three years, and for this term, 4% flat works out at an effective rate of only 7.78%. We should add, however, that if you want to buy a motor car with the aid of a Co-op. loan you will be expected to provide a reasonable deposit, perhaps up to half the cost, from your own resources.

To us that seems a sensible precaution designed, if we may use a metaphor, to prevent non-swimmers from getting out of their depth.

Getting back to our main train of thought, however, Mr. Beattie has also given us a formula for working out a flat rate in cases where the effective rate is quoted. As you probably know, our Personal Loans are designed to yield an effective rate of 9%. The formula to convert this to a flat is:

$$\frac{9 \times (12 \text{ mths.} + 1) \quad 9 \times 13}{(12 \text{ mths.}) \times 2 \quad 24} = \frac{117}{24} = 4.875\%$$

$$\text{Or in the case of a two-year term:} \\ \frac{9 \times (24 \text{ mths.} + 1) \quad 9 \times 25}{(24 \text{ mths.}) \times 2 \quad 48} = \frac{225}{48} = 4.6875\%$$

REBATES

Part-way through a hire purchase

agreement or instalment loan you have entered into, you may receive a legacy, win a prize in Tatt's, or decide to use your savings to pay off the loan ahead of time.

You would normally be entitled to a rebate of portion of the interest which was added to the amount you originally borrowed. Just how much this comes to can be worked out with reasonable accuracy by what Mr. Beattie tells us is called *The Rule of 78*.

The rule gets its name from the fact that there are 78 units in the repayment of a loan by 12 monthly instalments. Before you make the first payment there are 12 units bearing interest; then 11; then 10, and so on to the last month when there is only one unit left. The sum of 12 + 11 + 10, etc., down to 1 comes to 78.

If you repay your loan after it has been running for six months, there are 21 interest bearing units left in

respect of the unexpired term of the loan (6 + 5 + 4 + 3 + 2 + 1) and 21 you should get a rebate of $\frac{21}{78}$ of the

total interest. The percentages of total interest rebatable after each month are shown in the accompanying example.

Mr. Beattie tells us there are 300 units in a loan over 24 months, 666 over 36 months, 1176 over 48 months and 1830 over 60 months; which might save you some complicated additions.

We began this article with an anecdote. May we conclude it with an aphorism:

It is a strange fact that if you give a man reasonable credit you increase his business with you. But if you give him too much you eventually lose his business altogether to someone else who won't give him credit at all.

EXAMPLE OF LOAN ACCOUNT
EFFECTIVE INTEREST RATE OF 9% P.A.

Date 1968	Monthly Instalment	Interest Portion of Instalment	Principal Portion of Instalment	Principal Balance	Interest Bearing Units	Percentage Rebate — per Rule of 78
	\$ c	\$ c	\$ c	\$ c		%
Jan. 3	- -	- -	- -	595.00	12	84.61
Feb. 3	52.03	4.46	47.57	547.43	11	70.51
Mar. 3	52.03	4.10	47.93	499.50	10	57.69
Apr. 3	52.03	3.74	48.29	451.21	9	46.15
May 3	52.03	3.38	48.65	402.56	8	35.89
June 3	52.03	3.01	49.02	353.54	7	26.92
July 3	52.03	2.65	49.38	304.16	6	19.23
Aug. 3	52.03	2.28	49.75	254.41	5	12.82
Sept. 3	52.03	1.91	50.12	204.29	4	7.69
Oct. 3	52.03	1.53	50.50	153.79	3	3.84
Nov. 3	52.03	1.15	50.88	102.91	2	1.28
Dec. 3	52.03	.77	51.26	51.65	1	-
1969						
Jan. 3	52.03	.38	51.65	- -	-	-
Totals	\$624.36	\$29.36	\$595.00	- -	78	-

NOTE: The total of interest shown is \$29.36, whereas the interest in the relative Personal Loans table is \$29.00 — for technical reasons the table is calculated on a different formula.



SIXTEEN HEADS ARE BETTER THAN ONE

"Thank you for the many advantages of a week's 'thrust and parry' with other chaps in similar circumstances."

That was one of the comments vouchsafed to officer-in-charge, Mr. George Hillman, at the end of a week-long senior managers' conference held at staff training centre late in February.

With the exception of the Grade One men who took part in the very first conference, this was the most senior group of managers to confer at the centre since it opened in December, 1966.

There were sixteen of them, from Grades Two and Three.

We asked Mr. Hillman to give us some comments on the objectives of the conference and its results.

Is it fruitful for such senior branch managers to undergo training?

That question, Mr. Hillman said, is best answered by their comments, written from their branches in reflective mood, a week after the conference was held.

One comment was quoted in the lead paragraph of this brief article. Here are a couple of others:

"Mr. Ross gave us the courtesy of frank answers, and stimulated discussion as only he can."

"Quite frankly I benefited from all phases of the conference, and my only regret was that it was not of longer duration."

"When staff can meet executive in such informal and congenial circumstances, such as the luncheon on the Friday, only good can result, doing a great deal towards cementing staff loyalty."

You have probably gathered that the syllabus



placed emphasis on collective thinking and mutual exchange of opinions, experience and knowledge. Or as Mr. Hillman put it:

"The syllabus included a number of items of branch procedures — mortgage loans, personal loans, deceased accounts, overseas remittances, branch management — which were dealt with in a manner designed to throw the ball at the feet of conference members."

There were other sessions more abstract than

the daily routine of branch procedure — communications, investment policy, branch properties, business promotion, staff reporting, law and the banker, training of staff, home loan grant — and these were all conducted in the form of a talk, questions and answers.

Audio-visual aids were used liberally. On the opening morning the managers saw a film on how to conduct a group discussion which was a valuable preparation for the exercises that followed.

Other films probed effective communication in its many forms — letters, memos, interviews, use of the telephone.

The experiences of the week were gathered together in an open forum conducted by the Assistant General Manager, Mr. Don Ross, and referred to in one of the comments quoted above. Mr. Hillman remarked of this forum:

"Mr. Ross contributed a vast fund of information on the Bank's problems, achievements and hopes for the future."

One more comment from a participating man-



DAVE
DOLMAN

ager might sum up the form, the mood and the effect of the conference:

"Discussion during case study, in assembly, and over the cups of tea was terrific, and everyone must have left on Friday feeling the whole week was a huge success."

The intensity of all that discussion may be gauged from these sketches.



EDDIE
MILNE

ERROL
WOOD

ABE
KAY

BOB
BLAIR

LOU
LONGWORTH

ALEX
GRAY

JOE
REED

GREG
ANDERSON

Xia an

DROUGHT— AND RELATIVITY

WE have never even tried to understand whatever it was Einstein said about relativity, and it probably had nothing at all to do with the old cliché that all things are relative. You know — like the man who complained of having no shoes until he met a man with no feet.

That bit of home-spun philosophy re-occurred to us when we received a letter from Minyip manager, Mr. Dave Hart. We had just been bemoaning the effects of the long, hot, dry summer on our lawns and shrubs, and complaining about our bucket-carrier's back, when Dave's letter arrived.

Amongst other things, he wrote: "I feel — the S.S.B. is doing something worthwhile about the drought and maybe it is a good time for the whole staff to know — just what this bank is doing behind the scenes."

The story of what the Bank is actually doing is contained in the files of Current Loans Department where we talked to manager Mr. Stan Stewart and Arrears Officer Colin Johanson, who has been given the main responsibility for processing drought relief applications.

Colin, himself, comes from a farming family, spends most of his holidays on an uncle's property, and has always nurtured a desire to go on the land.

We looked at some of the hundred or so files that Colin has been working on in recent weeks.

They show that the man on the land has not been worrying about his lawn or his shrubs. His concern has been for a year's work scorched by the sun to nothing; for the wool cheque he won't be receiving; for the very tenure of his property.

The people worst affected are those who bought their land three or four years ago when values were high after a run of good seasons. They put all their savings into the purchase which was completed with the help of a loan from our Bank. They have not had time to build up a reserve of capital, and they face the grim prospect of at least a year with no income from the property, while they try to feed their families and keep up their financial commitments.

The men, in many cases, have left the essential maintenance of the land

to their wives and children while they take what casual work they can get wherever they can get it.

One example will suffice: John Maguire (to use a pseudonym) bought a property in the Wimmera in 1963 with the help of a \$20,000 loan from us. In normal seasons, the land yields five bags of wheat to the acre. This year he harvested less than half a bag — barely enough to recover his seed.

The sheep he grazes to supplement his income have had to be sacrificed for a few shillings a head because there was no fodder for them. He is at present driving a truck in Melbourne during the week, returning to his property at weekends. He applied for us for help.

We have suspended repayments of principal and interest on his loan for twelve months.

In other, and even more serious cases, we have made further loans so that mortgagors can not only carry on farming, but also meet day-to-day living expenses. Such further loans do more than help the property holder. They keep local storekeepers in business and spread their benefits right through neighboring townships.

Current Loans manager, Mr. Stan Stewart spoke eloquently of the part our country valuers are playing in this administration of drought relief.

"These valuers are doing far more than assessing the worth of a property," he said. "They are acting as father confessors to the distressed farmers — advising them on crops, calculating their future living expenses, helping them list their assets and liabilities to get an accurate picture of their financial position, and they are doing this work — in addition to their ordinary tasks — with sympathy, knowledge and speed."

"Speed" is the key-word. With the enthusiastic co-operation of all departments and people concerned — the General Manager's, Current Loans, Mortgage Loans, Valuers, Legal, Branch Managers — relief is being given within three or four weeks of the first request from a farmer to his local manager.

Colin Johanson said: "Everybody is pulling out all stops to give all the help we can, as soon as we can."

Makes those lost azaleas seem less important, don't you think?

Thank you all

That heading sounds like a quote from "Gone With The Wind." But in fact, it is a sincere expression of thanks to the many people who contributed in one way or another to this issue of **Progress**. We were dependent on Messrs. "Mac" Beattie, George Hillman, Dave Hart, Stan Stewart, Col Johanson, and branch managers and their staff, too numerous to identify, for the foundation of most of the articles and parts in this issue.

It is a tremendous help — and a boost to morale — to have such people come to us with ideas for articles, either verbally or in manuscript form.

In today's mail, for example, we received from London Office Manager, Mr. Jack Ryan, a long and thoughtful synopsis of an article on U.K. migrants. You will find that article in our next issue.

While we are on this subject, we should like to make special reference to the response to a par in the February issue headed "Humor In Advertising." Robert Lodge of Cheltenham branch took the time and trouble to sketch and caption several interesting ideas for future advertising. David Fossey (Elsternwick) submitted half a dozen cartoons for publication in **Progress**. One of them is published on this page, and you will be seeing more examples of David's clever pen in the future.

You can see why we say "Thank you all." But this is one good thing we can never have too much of. At any time, we should be very happy to receive verbally or in writing, your reaction to the contents of this magazine, whether they come as kicks or kisses, original manuscripts, or ideas for articles or paragraphs.

☆ "I put my boy in the Bank when he was 14."



What are we doing?

We are always a bit wary about handing out advice to others, remembering the unconscious irony in the essay of the schoolboy who wrote: "Socrates was a Greek philosopher who went around giving people good advice. They poisoned him."

However, we will take the risk on this occasion, because we were rather impressed by the thought underlying two items we came across in the course of some spare-time reading.

One was an anecdote related by a tourist to France. He happened to see a large church being constructed, and he spoke to three stone-masons in turn, asking each what he was doing. The first said "I am cutting stone." The second replied: "I am cutting stone for 30 francs a day." And the response of the third was: "I am helping to build a great cathedral."

The other item was a message by the Director General Mr. T. A. Housley to the staff of the P.M.G., contained in an issue of the Post Office house magazine. Mr. Housley wrote: "You don't just sell stamps, you sell a means by which a personal or business letter can be safely sent across the road or over the seas. You don't just say 'number please'; you put into action a system that overcomes all boundaries, national and physical, to bring people instantly together."

There was more in the same vein, but the essence of the message was that even a routine task provides an opportunity to share the hopes and joys — sometimes, too, the sorrows — of other people, if only one thinks in terms of the other person's interests.

Applied to our own work, counting the contents of a boy's money box can be an interruption to more important work, or it can be an experience in which one shares the youngster's excitement as he advances a step closer to owning the bicycle he craves so much.

COLUMN OF FIGURES



An application for a foreign remittance can be a time-consuming nuisance as one struggles to understand the customer's inadequate English, or it can give a glimpse of what the remittance will mean to the recipient in some remote village in Europe.

What it amounts to really is that one has the choice of plugging grimly through the day's work, or making it a rewarding experience in human relations. The chances are that the latter attitude would not only contribute to one's own happiness, but add something to the reservoir of universal goodwill — and that's one reservoir that has never been in danger of flowing over.

A simple idea . . . but effective

Anyone who has worked at Elizabeth Street knows that the new accounts, transfers and enquiries section is a bustling, busy area at almost any given

time of the day, with customers ranged right along the 60 odd feet of counter space.

The diverse nature of the business conducted at this section often requires an officer to leave the customer temporarily to make a 'phone call, look up a signature or for some other reason. This used to pose a problem to the officer-in-charge and his staff who were uncertain whether or not the customers were receiving attention, and led to many an unnecessary "Are you being attended to, madam?"

Now Elizabeth Street assistant manager, Mr. Frank Scorgie, has hit upon a solution which is simple but effective. Each member of the new accounts section staff is supplied with a distinctive orange card to place on the counter in front of any customer he or she has to leave temporarily. These cards can be seen from any part of the section and they are saving a lot of time and minor irritations to both customers and staff. Incidentally, the cards read: "Miss Mary Brown (or Mr. John Smith) In Attendance" and have the further advantage of identifying the officer to the customer.

Mortgage loan applications

The statistics which are charted below are slightly out-of-date in that they apply to mortgage loan applications for the financial year 1966/67. But they are still relevant — and we think, of interest — because the pattern they reveal of age and income brackets is consistent year by year. As you will notice, the age range goes all the way from teenagers to retired people.

AGES	NEW HOUSES	OLD HOUSES	FURTHER LOANS AND OTHERS	TOTAL
Under 20 years	7	9	47	63
20 but not over 25 years	1073	456	53	1582
25 but not over 30 years	1453	797	299	2549
30 but not over 35 years	735	550	466	1751
35 but not over 40 years	554	437	383	1374
40 but not over 50 years	571	581	396	1548
50 years and over	305	494	237	1036
Unclassified			110	110
Totals	4698	3324	1991	10013
INCOMES				
Under \$2000 per annum	46	106	89	241
\$2000 but not over \$2500 per annum	380	400	134	914
\$2500 but not over \$3000 per annum	1051	711	322	2084
\$3000 but not over \$4000 per annum	1946	1129	636	3711
\$4000 but not over \$5000 per annum	780	478	290	1548
\$5000 but not over \$6000 per annum	278	261	143	682
\$6000 and over	217	239	267	723
Unclassified			110	110
Totals	4698	3324	1991	10013

Does your bank ever get off its duff for you?



*meet a
banker who
uses
dramatic
measures
to put...*

**people
before
paperwork**

THE structure of the banking system in the U.S.A. is very different from ours. In this country we adopted the Scottish system of nation or state-wide branch banking. In America there are over 14,000 different banks, the majority of them confined to a single office, or at best a main office and a few branches. In many cases, a small bank is the brain child of an individual and nurtured from birth according to the ideas of its parent.

An interesting example is the Redwood National Bank which was founded in the town of San Rafael, California, in 1963 by a gentleman named Byron W. Leydecker who was then 35-years-old, and who left a large Californian bank to put his own ideas into operation.

San Rafael, a town of some 17,000 people, is only about 10 miles north of San Francisco, the home of the Bank of America, the world's biggest non-government bank. Quite undaunted by such formidable opposition, Mr. Leydecker is building a most successful enterprise by methods that impressed us as being interesting enough to warrant this article in *Progress*.

Our curiosity was first stirred by an article in the Burroughs magazine *Clearing House*, and we wrote to Mr. Leydecker for further information. The essence of his banking philosophy is that people are more important than paperwork, and he has what *Clearing House* calls a "zingy" way of expressing his ideas.

You may have quite a different reaction from us to the thoughts of Mr. Leydecker, but we are sure you will agree that he is eminently quotable. For example (Mr. Leydecker speaking):

"The orientation of bank people, historically, has been to attaining perfection in details and paperwork; toward dealing with transactions, not people. In a typical urban bank, the emphasis is on dealing with what happens today, then balancing everything out. Employees have become so thoroughly indoctrinated with the paperwork cult, they unconsciously resent any 'intrusions' which interrupt their regimen."

Mr. Leydecker is *not* convinced that the world-wide changes in bank architecture towards the inviting "open" look, or clever advertising campaigns have been very effective in altering the impression of aloofness and coldness which he believes most people have of financial institutions.

INTIMIDATED BY BANKS

He is convinced that most people are intimidated by banks, and that this is an inevitable con-

sequence of attitudes and traditions perpetuated by generations of bank employees.

"We did enough research," Mr. Leydecker says "to determine that most people have no particular feeling about their bank. Those who do, usually have a negative one. People have strong feelings about their doctor or lawyer or other people who render professional service — but most people merely put up with their bank."

Not satisfied with any existing style of bank advertising, Mr. Leydecker has had created within his own organisation a dramatic series of "money back guarantee" ads. which promise a new concept in banking service. Two of them are reproduced with this article. You may feel that they are not dignified enough for a banking institution, but it is hard to dispute that they would command attention even in the plethora of advertisements that occupy such a large proportion of a newspaper's columns.

Of course such advertisements would have quite the opposite effect to that intended, if the claims they made were not backed up enthusiastically by the staff. Because his is such a small bank, Mr. Leydecker can assemble his staff in weekly meetings where "our training emphasis is on learning the customers' needs, then serving them. We don't get together for pep talks or chit-chat. We talk about the direction our advertising is going, and our responsibilities to live up to what we're promising in the ads."

In Mr. Leydecker's bank, as in every other bank in the world, the tellers are in the front line of operations. In an effort to help tellers improve their customer contact technique, Mr. Leydecker has installed tape recorders and microphones, visible only to the tellers, in each box, to record random conversations with the public.

"From time to time," Mr. Leydecker reports, "we go over each teller's tape in private, to help her see areas for improvement. This procedure is very enlightening. It's extremely easy to lapse into the old attitude that people who come into the bank for something are interfering with our job of processing paper."

"A lot of people talk about how competitive this business is, but they really don't act like it is. We at Redwood National think every customer is important, and we've built a thriving operation on this promise."

Perhaps Mr. Leydecker's ideas would not be so effective in less extrovert communities, but then, is there any customer, anywhere, who does not appreciate being treated as somebody special?

CAMERA

NEWSREEL



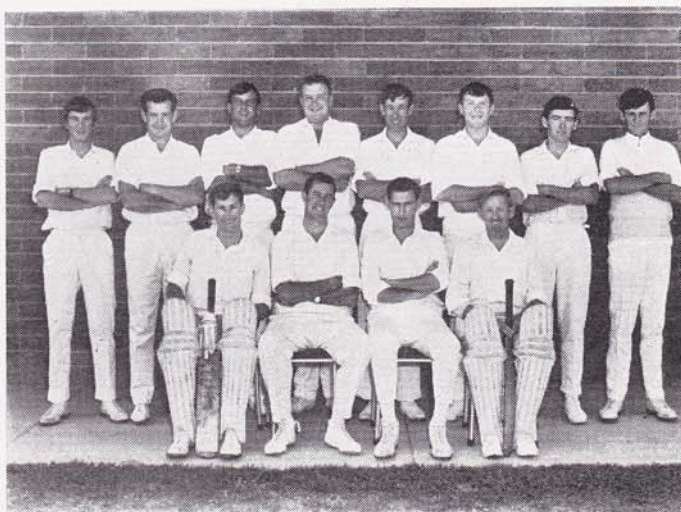
This year the Bank awarded bursaries worth \$13,950 to 150 pupils — both figures were records. Some of the recipients are shown here with the Chairman of Commissioners, Mr. W. L. Moss, who is also Chairman of the Bursary Trust, and the General Manager, Mr. T. E. Hall. The pupils are Kaye Mitchell (Rochester High), Paul Duffy (De La Salle), Nola Morrison (Windsor Convent), Ronald Angus (Colac High) and Leanne Guersin (Killester Convent).



You will have to take our word for it, but there are two very lovely faces behind those masks. They (the faces) belong to Carmen Dooley (Correspondence) and Gail Kidd (Chief Accountant's). The disguises were part of a Moomba exhibition of Italian Theatrical Masks at Elizabeth Street.



This is the Bank's senior cricket team which met and defeated A.N.Z. Bank in the final of the V.J.C.A. premiership section North B. A very good effort in only the second season since the club was re-formed. BACK ROW: Ian Tangey, Geoff Cameron, Eric Moore, Neil Lewis, John Forbes, Gavin Jackson, Pat Phillips, Denis Izod. FRONT ROW: Ron Clark, Laurie Kyle (Capt.), Graham Spence, Ken Gellatly (Vice-Capt.).





ABOVE: Ronald Langdon and his bride, formerly Patricia Tuttle, leave Sacred Heart, Preston, after their marriage. Ronald is on the staff at Camberwell East.



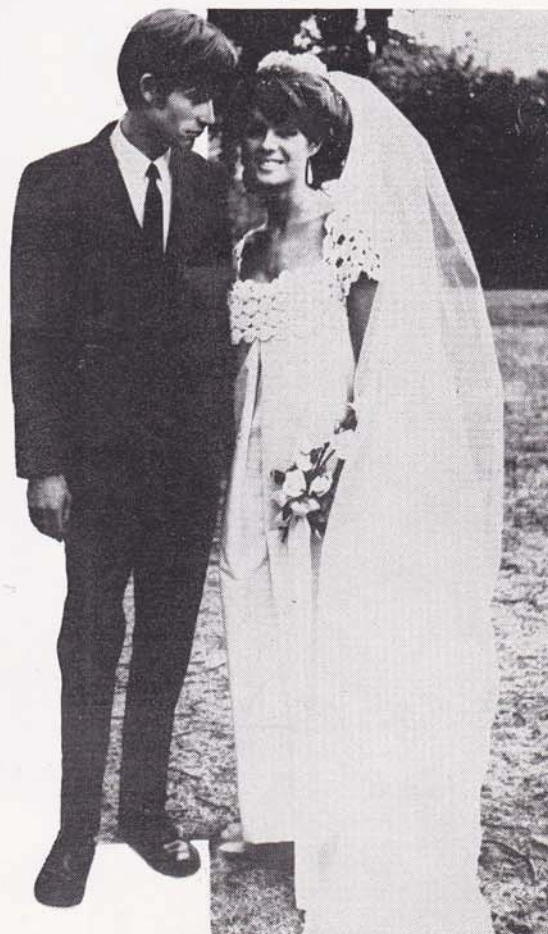
ABOVE: Two happy savings bankers about to leave Holy Trinity Church, Kensington, after their wedding. Tony Sausverdis is a member of the Footscray South branch staff, and his bride, the former Ronda Neal, works at Elizabeth Street.

Wedding Belles



RIGHT: Mr. and Mrs. Brian Nickless pause for a parting smile as they leave St. Joseph's, West Brunswick. Mrs. Nickless works at Services Division and is the former Barbara Sansome.

BELOW: Mr. and Mrs. Greg Henderson pose for the cameraman in the grounds of Ewing Memorial Church. Mrs. Henderson, nee Mary McGregor, is a member of Staff Department. Greg's father, Bill Henderson, is our Kangaroo Flat manager.

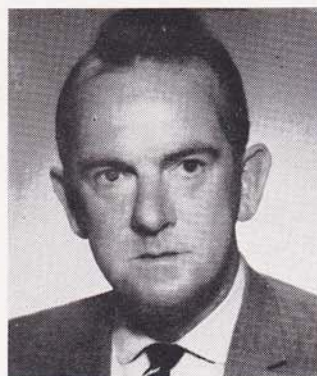


OUR NEWLY APPOINTED MANAGERS



E. L. OSBORNE,
Seddon.

Eric commenced his banking career at Bairnsdale, but most of his service has been at Elizabeth Street and suburban branches. His favorite sport is cricket and he plays with St. George's in South Suburban Churches competition. Golf and fishing are other sports and his hobbies are gardening and carpentry. He and his wife have a family of three.

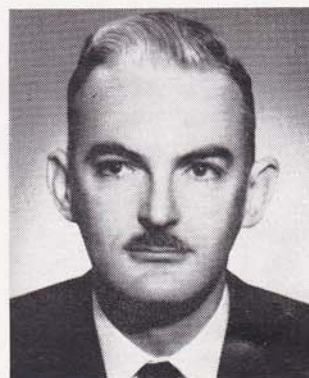


S. A. FYFE,
Relieving Manager.

In his younger days Sid was secretary of the Football Club and organised most of the Bank's social functions. He has retained his interest in the Football Club and rarely misses a match. A former lifesaver, Sid loves the beach and spends most of the summer there. He is very interested in music; used to have his own band and is an avid record collector.

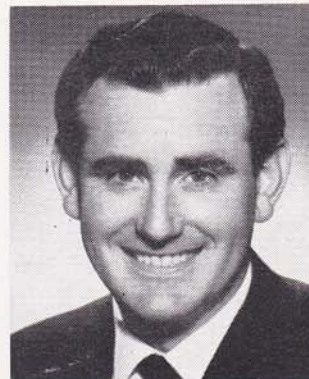
S. L. TURNBULL,
Relieving Manager.

The Turnbells have four young children who are the focal point of most of their activities, but Stuart still manages an occasional game of tennis. His interest in his fellow officers is evident from his eight years on the Association Committee; his directorship of the Champion Co-op. from its inception until recently and his work as a member of the Provident Fund Committee of Advice.



G. S. WALTERS,
Audit Officer, Chief Accountant's Department.

Scott, like Eric Osborne, commenced in the country — at Horsham — and he also plays with St. George's Cricket Team. A member of the Bank's Football team in its halcyon days in "A" grade, he now keeps fit with a regular game of squash. With a family of four boys aged six to 18 months old twins, Scott and his wife find life is never dull.



J. W. ROACH,
Relieving Manager.

Carpentry and cabinet making are Jack's main hobbies and he is an expert on built-in wardrobes. Most of his Bank service has been in Head Office and he is enjoying the variety of a reliever's life. The Roach family consists of two boys and a teenage daughter. Jack's father, Bill, was manager of Swanston Street until his retirement two years ago.