



Australian Citizens Party

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MEDIA RELEASE

24 November 2021

A postal bank is the solution to regional banking needs

By 18 December, flood the government's Regional Banking Taskforce with submissions calling for a postal bank.

The recent Senate inquiry into Australia Post drew attention to banking services in regional Australia, where many communities have been abandoned by the banks, leaving the post office as their only banking option. Then-Australia Post CEO Christine Holgate had saved post office banking services with her amazing Bank@Post deal with the major banks in 2018. The attention from the inquiry led to Nationals Senator Perin Davey calling for an inquiry into regional banking, which has expanded into a Regional Banking Taskforce, co-chaired by Davey and Assistant Treasurer Michael Sukkar, and including representatives of the banks, Australia Post, and local government.

To stop this taskforce from being just another talkfest, we call on all concerned Australians to flood the taskforce with submissions calling on them to endorse the obvious solution: a public post office bank!

Here's the problem that must be addressed:

- Between 1975 and 2021, the number of bank branches in regional locations in Australia has collapsed by 61.5 per cent, from 2,802 to 1,080, according to an excellent study by independent journalist Dale Webster published in her online news service *The Regional*, ['Big Four' banks casting a dangerous shadow](#).
- This trend has accelerated in recent years, with the taskforce discussions paper reporting: "The number of branches in regional and remote Australia has fallen from around 2,500 to 1,900 in the four years to June 2021 (a decline of almost a quarter) with a 5 per cent decline in branches in the past year."
- The banks have also ripped out 20 per cent of all ATMs nationwide since 2016 (part of their war on cash);
- There are 1,145 post offices providing Bank@Post services to regional and rural communities with no bank branch, according to the taskforce issues paper.

The taskforce is well-intentioned, but left to themselves the politicians will turn it into a talkfest, pleading with the banks not to close branches, but ultimately doing nothing to force the banks to stop abandoning their regional customers. This has been the pattern in recent decades: a 1999 federal inquiry chaired by Liberal MP David Hawker, *Regional Banking Services: Money Too Far Away*, claimed to have elicited commitments and promises from the banks to stop closing branches, but these were never kept. A 2004 Parliamentary inquiry, *Money Matters in the Bush*, received from CBA a "watertight commitment not to reduce traditional branch numbers below a thousand"; the latest Australian Prudential Regulation Authority (APRA) figures reveal that CBA now has 875 branches left.

Regional banking solution—a postal 'people's bank'

It is time to turn the tables on the banks: stop begging them to keep their regional branches open, and instead force them to compete with a public option, a postal bank. Postal banks are successful all over the world; the US Congress is considering a bill to re-establish postal banking through the US Postal Service; and, indeed, Australia's [Commonwealth Bank started as a postal bank](#). There are 1,900 post offices in regional and rural Australia—820 more than current bank branches. A postal bank would guarantee banking services in perpetuity for all of those communities, irrespective of what the private banks do; however, in order to not lose their regional customers *en masse* to the postal bank, the private banks will have to lift their game and again compete on service, which would staunch the exodus of private bank branches. It's a win-win solution, in that it would also guarantee the viability of the post office network, and especially the 2,850 small business families who run licensed post offices (LPOs) that provide the majority of face-to-face postal services in Australia, but which were going bankrupt before Christine Holgate forced the banks to pay properly for LPOs serving the customers the banks have abandoned.

The Citizens Party and the Member for Kennedy, Bob Katter MP, have drafted a bill for a Commonwealth Postal Savings Bank (CPSB), which Mr Katter intends to introduce in Parliament in the near future. The bill would establish the CPSB as a government corporation to operate exclusively through post offices. The CPSB would:

- Guarantee banking services to all Australians;
- Guarantee income to Australia Post and LPOs, ensuring the long-term viability of postal services across Australia (so they never have to beg from the private banks again);
- Guarantee *all* deposits of CPSB customers;
- Support the cash payments system, so that cash is always available in the economy (whereas the private banks are aggressively trying to phase out cash to trap people in electronic transactions that have to go through banks);
- Lend to individuals, business and industries in the local communities the CPSB serves (which are increasingly starved of credit by the private banks); and
- Invest surplus deposits in a national development bank to invest in major infrastructure and industry development in regional Australia.

Everyone make a submission!

It is imperative that we get the attention of the Regional Banking Taskforce, and force them to recognise that Australians want solutions, not platitudes. That's why the Citizens Party is calling on *everyone* who supports the postal bank policy to make a quick submission to the taskforce by the 18 December deadline and insist they support the postal bank option. The goal is to overwhelm this taskforce with calls for a postal bank. No exceptions—they need to hear from YOU!

[Click here for the Regional Banking Taskforce website, which links to the Issues Paper.](#)

Click here to watch [A Way Forward For Regional Banking](#), in which Martin North from Digital Finance Analytics and Citizens Party Research Director Robert Barwick discuss the postal banking alternative.

Where to send your submission:

You can submit responses to this consultation up until 18 December 2021.

While submissions may be lodged electronically or by post, electronic lodgement is preferred. For accessibility reasons, please submit responses sent via email in a Word or RTF format. An additional PDF version may also be submitted.

All information (including name and address details) contained in submissions may be made available to the public on the Treasury website unless you indicate that you would like all or part of your submission to remain in confidence.

Email:

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Post:

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Regional Banking Taskforce
Financial System Division
The Treasury
Langton Crescent
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