



Australian Citizens Party

Craig Isherwood, National Secretary

PO Box 376, COBURG, VIC 3058

Phone: 1800 636 432 **Email:** info@citizensparty.org.au **Web:** citizensparty.org.au

MEDIA RELEASE

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Where will your savings be safe from 'bail-in'? In a postal bank!

Join the grassroots campaign to recruit all parties to support the Commonwealth Postal Savings Bank Bill.

The growing uncertainty over the financial system, in the face of rising inflation and interest rates, raises the spectre of a domestic banking crisis. Australia's Big Four banks are more exposed to the housing market bubble than their US and European counterparts were in 2008, when mortgage defaults triggered a global wave of bank collapses. Governments used taxpayer bailouts to save the banks in the 2008 banking crisis, but since then all G20 governments, including Australia, have committed to propping up failing banks using the new policy of "bail-in"—confiscating savings deposits and funds of other "unsecured creditors". Four years ago this week, on St. Valentine's Day 2018, then-Treasurer Scott Morrison snuck a bill through the Senate, with only eight Senators present in the chamber, which included a loophole that [banking experts confirmed](#) could potentially be used in a crisis to bail in the savings deposits of Australians. One Nation Senator Malcolm Roberts is attempting to amend the 2018 law to close the loophole, but he is opposed by the two major parties.

So—where can you keep your money that is safe? Unfortunately, nothing is guaranteed to be safe, not even the \$250,000 Financial Claims Scheme deposit guarantee, which isn't activated and is only supported by a \$20 billion per bank provision that even Australia's Council of Financial Regulators has acknowledged can't cover the 80 per cent of total Australian deposits that are in the Big Four banks. This is a disaster for the Australian financial system, because not having a safe place for hard-earned life savings will destroy the confidence that underpins the financial system. There is a solution, however, in the form of a bill that the Citizens Party has drafted that will create a safe place for Australians to deposit their savings—a public post office people's bank.

The Citizens Party's bill, the Commonwealth Postal Savings Bank Bill, has been drafted in coordination with Bob Katter MP, to establish a public postal bank similar to the way the original Commonwealth Bank started in post offices in 1912. Importantly, the Commonwealth Bank first proved its value as a public bank in the global financial panic of 1914, when it averted a "run" on all Australian banks by the actions of its Governor, Sir Denison Miller, who announced publicly that the Commonwealth Bank stood behind the deposits in all of the banks; consequently, the feared bank panic didn't eventuate. (In London, which was the epicentre of the 1914 panic, the Commonwealth Bank's London office was the only bank to remain open during the emergency.)

Like the Commonwealth Bank then, a new postal bank will be able to guarantee deposits because it is owned by the government; put simply, governments are far, far less likely to go bankrupt than private banking corporations are, so customers of public banks can have confidence that their deposits will always be honoured.

Multiple benefits

Protecting savings deposits is just one of the benefits of the CPSB. Its many other benefits include:

- Breaking the oligopoly of the Big Four banks, which are arrogantly closing branches, debanking lawful businesses, reducing access to and availability of cash, and starving industries, small businesses, and regional communities of credit;
- Guaranteeing full, low-cost banking services to all Australian individuals, businesses, and communities;
- Ensuring the ongoing viability of Australia Post and its network of 2,850 small business community Licensed Post Offices;
- Supporting cash availability and the cash payments system (which the private banks are trying to phase out) so cash is always a payment and savings option in Australia;
- No de-banking—the CPSB will not discriminate against any lawful businesses.

Spread the word to all communities—support the CPSB Bill!

The Citizens Party urges all Australians who support the CPSB solution to participate in the grassroots campaign to spread the word to all communities, and build support for the bill that Bob Katter intends to introduce into Parliament. Following is a [draft resolution for community organisations to pass](#) as an

endorsement that they can then communicate to Parliament.

Draft Resolution—Post Office People's Bank

NAME OF ORGANISATION [council, union branch, political party branch, church, other body]

1. notes that:
 - Bank branch and ATM closures are leaving many communities without access to financial services, especially in regional Australia;
 - Since 1975 the number of bank branches in regional Australia has fallen by more than 60 per cent, and there are more than 1,500 communities across Australia with no bank branches at all;
 - A large proportion of the population, including the elderly, disabled, small businesses, and local schools and charities, will always have a need for face-to-face financial services, despite advances in technology;
 - For hundreds of communities, their only access to cash and financial services is through Bank@Post at their local post office;
 - Bank@Post is an essential service to all communities, but is vulnerable to commercial decision-making by the banks, which can choose to withdraw their participation, and charge excessive fees on transactions;
 - With four major banks controlling 80 per cent of the financial system, Australian consumers suffer from a lack of real banking competition;
2. calls on the Commonwealth Parliament to pass the Commonwealth Postal Savings Bank Bill to establish a post office people's bank, fully guaranteed by the Commonwealth, as a dedicated postal savings bank, operating exclusively through Australia Post's corporate and licensed post offices, which will ensure basic banking services—including deposit-taking, business and personal lending, and access to cash—are available to all Australians, and will contribute to Australia's national economic development.
3. write to the Local State and Federal Members of Parliament, to inform them of our desire to support the passage of the Commonwealth Postal Savings Bank Bill through Parliament.

Let's make this solution an election issue—join the campaign!

[Click here to sign the petition:](#)
[An Australia Post 'people's bank'—with fully guaranteed savings deposits!](#)