



# Australian Citizens Party

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## MEDIA RELEASE

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### Licensed post offices call for a public post office bank

*LPO Group's election call for a post office bank is a solution to the mass-closure of regional bank branches. How will the major parties, especially Barnaby Joyce and the Nationals, respond?*

The group representing the interests of Australia's 2,850 small business licensed post offices (LPOs) has issued a federal election statement, "[Protecting the future of your community post office](#)". LPO Group is seeking a commitment from the government and Australia Post board on a number of important issues to address the dysfunction and shortcomings identified at last year's Australia Post inquiry. Very importantly, LPO Group is calling on the government to commit to: "Establish a Postal Bank to service SMEs [small and medium enterprises] and help sustain the network and fund infrastructure."

Australia's long-suffering small business post office licensees know better than anybody how a dedicated public post office bank would save regional communities and the post office network across Australia. As documented by [journalist Dale Webster at \*The Regional\*](#), the major parties have stood helplessly as the private banks have aggressively closed their regional branches, leaving many towns without any bank branches. Thanks to former Australia Post CEO Christine Holgate, most communities have been able to continue banking at post offices, because of her deal in 2018 which made three of the Big Four banks pay much more for the Bank@Post service.

Holgate's deal made LPOs financially viable, as they had been going broke, and it stopped the Liberal Party-stacked Australia Post board from shutting the Bank@Post service down. If Holgate hadn't landed that deal, and the board had shut Bank@Post down, 1,500 Australian communities would have lost all face-to-face banking services in 2018. Holgate succeeded, however, only to be ambushed in Parliament two years later, brutally smeared and unlawfully removed by the Prime Minister, over \$20 thousand she had spent on four Cartier watches to award to the executives who'd worked tirelessly on the \$220 million deal that had saved regional banking services.

Nothing about the attack on Christine Holgate made sense, except that she had enraged the banks by making them pay more, which the bank CEOs complained bitterly to Scott Morrison about. She had also talked about Australia Post becoming a bank, prompting experienced business reporter Michael West to predict in 2018, "The banks will fight it tooth and nail." Once she was removed, the banks immediately capitalised by cutting in half what they pay for the Bank@Post service, and one of the three has only agreed to a 12 month extension, leaving only two committing to the next ten years—for now.

#### Win-win-win solution

Establishing a public post office bank to operate through Australia's 4,320 post offices, including the 2,850 small business LPOs, is a solution to many problems.

Click here to watch the Citizens Party's new 15-second ad—[Postal banking: more services at lower costs](#).

**First**, it would secure the long-term viability of the post office network Australia-wide. Around the world post offices have successfully combined postal and banking services to remain viable. France, Switzerland, and India are good examples. Christine Holgate's deal did the same, but the private banks are now undermining it by paying less. A dedicated public (government-owned) post office bank would mean that the post offices would no longer have to depend on the private banks being prepared to renew their Bank@Post deals. The revenue from the post office bank would ensure their viability in perpetuity.

**Second**, it would guarantee full banking services for regional communities. A post office "people's bank" would mean that every community with a post office would always have a bank. And, because the private banks would have to compete with the post office bank *on service*, or else they would lose all of their regional customers, the private banks would have a strong motivation to stop closing regional branches, and in fact start to reopen many.

**Third**, it would invest in local communities, through loans to local small businesses and farms and for infrastructure projects. Right now, most money that people in regional communities deposit in their private banks goes to underpin bank loans into the housing markets in the major cities, for which the

private banks prefer to lend. It does not come back to SMEs in the regional communities, which the private banks are starving of credit. The lending decisions are not made by local managers anymore, but by head office bank bureaucrats. The Citizens Party's legislation for a public post office bank ensures the post office bank would have a directive to lend locally, injecting credit that would make regional economies bloom. It would also lend surplus deposits to local, state, and federal governments and agencies for public infrastructure projects, which would also boost regional Australia.

**Finally**, it would provide financial security in a number of ways, including:

- Deposits in the post office bank would be fully guaranteed, because the bank is owned by the federal government;
- The post office bank would *always* support the cash payments system, both by guaranteeing the availability and use of cash, which is especially important in regional areas that have less reliable communications technology, and by providing secure cash banking services so regional businesses don't incur the security risk of having to hold large volumes of cash that they cannot bank.

### **Where do the parties stand?**

Across Australia, support is growing for a post office people's bank. In 2020 a Labor Party-affiliated think tank, [Per Capita, prepared an excellent report](#) for the Communications, Electrical and Plumbing Union (CEPU) on the benefits of a post office bank. Bob Katter and Katter's Australian Party (KAP), Pauline Hanson's One Nation, and The Australian Greens all support it. Individual MPs and Senators in the ALP, the National Party, and the Liberal Party, have all expressed support for it. The Citizens Party has [drafted legislation](#) for it.

Now that LPOG, representing the people who know the benefits better than anybody, has called for a post office bank, it's time for all of those parties to commit to it. The election is on—ask every candidate where they stand, especially those candidates either claiming to or seeking to represent regional Australia, starting with Barnaby Joyce and the National Party.

Call and/or email your candidates, both House and Senate, to ask them to respond to the LPO Group's call for a post office bank. [Click here to find the candidates for your electorate on the AEC's website.](#)

[Click here to sign the Citizens Party's petition for a post office people's bank.](#)