



Australian Citizens Party

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MEDIA RELEASE

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Regional Banking Taskforce is the banks' say, not the final say, on a postal bank

The Regional Banking Taskforce established in late 2021 was part of a last-ditch offensive by the Liberal-National Coalition government to shore up votes before the election.

Having ignored the issue of regional bank closures for nine years in government, they suddenly wanted to be seen to be addressing this problem that has severely disrupted communities right across Australia.

The Taskforce was co-chaired by Nationals Senator Perin Davey, and Liberal MP Michael Sukkar, the Minister who tried and failed to ban cash transactions over \$10,000 in 2019-20—relevant to the Taskforce, as bank branch closures are helping the banks to achieve their goal of forcing people off cash.

Along with representatives from the Council of Small Business Organisations of Australia (COSBOA), the Australian Chamber of Commerce and Industry (ACCI), the Australian Local Government Association (ALGA), and Australia Post, the taskforce was otherwise stacked with bankers, representing each of the Big Four, the Bendigo Bank and Bank of Queensland; the Customer Owned Banking Association (COBA); and the Australian Banking Association.

Post office bank

The Taskforce reports it received 416 [submissions](#) by the 18 December 2021 deadline; of these, the vast majority were from members of the public calling on the Task Force to recommend a public post office bank.

It is therefore striking that in the Taskforce's [22-page report](#), published 30 September, only one paragraph addressed the issue of a postal bank. It stated:

"A number of submissions to the Taskforce suggested making Australia Post a bank. However, it is important to recognise that this would significantly duplicate the services already offered through Bank@Post. Such a service may also lead to other banks not renewing their Bank@Post arrangements with Australia Post, reducing consumer choice in rural areas. There are likely to be other issues around making Australia Post a bank. It would raise significant competitive neutrality concerns (as the new bank would be government backed) and would require significant legislative change and capital investment. There are also likely to be strong tensions between operating in a commercially viable way and meeting social obligations. Importantly, this additional function could divert focus away from Australia Post's core function to deliver letters and parcels."

This paragraph is so misleading it can only reflect the views of the bankers Michael Sukkar stacked onto the Taskforce.

Here is the Citizens Party's response to each misleading objection:

1. A postal bank would "significantly duplicate the services already offered through Bank@Post". No, it wouldn't, as it would be a new, government-owned bank, whereas Bank@Post is merely an agency service for the existing banks. As such, it would give regional customers a real alternative to the banks that are abandoning them but just expect to keep them as customers either online or through Bank@Post, where they have the gall to charge them very large fees for a service they don't provide—the post office does!
2. A postal bank "may also lead to other banks not renewing their Bank@Post arrangements with Australia Post, reducing consumer choice in rural areas". Bank@Post is already at the mercy of the private banks: ANZ refused to even sign up, not caring it was abandoning many of its regional customers, and since Christine Holgate's removal as Australia Post CEO, the others of the Big Four have only agreed to pay half of what they agreed to pay Ms Holgate for the service, again putting its viability at risk. They could walk away any time. Because a postal bank would force those banks to properly compete or lose their customers, the last thing they will be doing is pulling out their services entirely; in fact, in many cases the private banks will re-open branches they have closed. But that brings us to the main objection:
3. The postal bank "would raise significant competitive neutrality concerns (as the new bank would

be government backed)”. Yes, yes it would. There’s the rub, as Shakespeare’s Hamlet would say. The private banks don’t want to have to compete with a public bank; they think that’s unfair, the poor things. They don’t think it’s unfair that they can abandon and severely disrupt communities all around Australia in their mad pursuit of larger and larger profits. No, it’s unfair that rapacious, price-gouging private banks would have to compete with a public bank on service, as they had to for the 84 years from 1912 to 1996 when the Commonwealth Bank was a public bank! The private banks used the same excuse of “unfair competition” to campaign for and achieve the privatisation of the Commonwealth Bank, and look at what’s happened to Australia’s financial system in the 26 years since. They have been free to gouge customers through high fees, high interest margins, mass layoffs, branch closures, and the predatory misconduct that led to the 2018 Banking Royal Commission. The problem for the private banks in making this complaint is that they are the ones that claim that the private sector is always “more efficient” than the government; if so, they should be able to compete easily with a government bank, shouldn’t they? Also, the banks claim that their digital banking alternative is better than face-to-face banking. Well, having their digital banking compete with a postal bank would test that, wouldn’t it? The banks want it all their own way, and with their appalling record this is one argument the government must reject outright.

4. The postal bank “would require significant legislative change and capital investment”. Some, yes, but not as much as they want people to think, as that’s the beauty of a postal bank—the branches are already there!
5. There’s likely to be “strong tensions” between operating “commercially” and “social obligations”. No, that’s the private banks’ neoliberal view; the history of public banking is that just the act of providing a real service is a social good.
6. It would “divert focus away from Australia Post’s core function to deliver letters and parcels”. This is almost the most misleading claim: as postal banks around the world show, the postal bank would bring in extra revenue to Australia Post that would ensure the ongoing viability of postal services. It’s win-win—operating through post offices reduces the costs of the postal bank; the revenue from banking increases the income of post offices.

If these are the best arguments the banks can muster against a postal bank, then Australians who support the policy can be confident the Regional Banking Taskforce will not be the final word on the issue.

To help in the [campaign for a postal bank](#), forward this email to your federal MP, local councillors, and anyone you know who is concerned about regional bank closures.

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