



Australian Citizens Party

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MEDIA RELEASE

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The win-win solution for Australia Post and unbanked communities is a government postal bank

Following the news of Australia Post forecasting a full-year loss, it's time to implement the win-win solution that will secure postal and banking services for all Australians.

Australia Post's commercial pressures are being blamed on the drop in letters, but there is another pressure that must be investigated—the cost of providing banking services.

The Albanese government is allowing Australia Post and three of the Big Four banks—CBA, NAB, and Westpac—to keep secret how much the banks are paying for their customers to access the Bank@Post service.

In 2018, then-Australia Post CEO Christine Holgate announced, to much fanfare, a deal whereby each bank agreed to pay Australia Post an annual \$20 million Community Representation Fee for their customers to bank at post offices.

However, when those banks renewed the deal in 2021 and 2022, they refused to disclose how much they had paid, calling the amount “commercial in confidence”.

In the 23 November 2022 Senate Question Time, Senator Pauline Hanson asked Senator Murray Watt, who was representing the Communications Minister, how much the banks had paid:

“In 2018, then-Australia Post CEO Christine Holgate secured a deal with the CBA, NAB and Westpac to pay \$20 million each every year as a representation fee to serve their customers at Bank@Post. Will the minister confirm that this fee has been halved in the new agreement to \$10 million a year each?”

Senator Watt took the question on notice, but the next day replied, in writing, that “details in relation to individual agreements are commercial in confidence”.

Why should this deal with the taxpayer-owned Australia Post be secret? Why is it commercial in confidence now, when it wasn't in 2018, unless the renewed deal is short-changing post offices?

Taxpayers subsidising branch services

Not only are the banks short-changing Australia Post at a time of rising cost pressures on postal services, they are also on a branch-closure spree, forcing more people to bank at the post office than ever before.

In fact, the banks are explicitly justifying their branch closures on the basis that the Bank@Post service is there for their customers to use.

In other words, the taxpayers who own Australia Post, and the hard-working licensees who run most post offices as small businesses, are increasingly subsidising the banks' branch services.

On top of that, the banks put restrictions on the services available through Bank@Post that they don't have at branches, such as limits on cash deposits and withdrawals, and then they turn around and charge their customers hefty fees for using Bank@Post, sometimes more than \$4 per transaction.

Post offices aren't charging those fees; the banks are, but it's the post offices providing the service!

Shockingly, when Australia Banking Association CEO Anna Bligh was interviewed by Deborah Knight on 2GB Afternoons on 9 February, she didn't know that her banks charge their customers fees for using Bank@Post.

Justifying branch closures, Bligh said to Knight: “It's really important for your listeners to know that banks pay Australia Post to provide banking service, basic banking service...”

“But you get charged a fee to use that service”, Knight interjected.

After a pregnant pause, Bligh replied, “That's not my understanding. I'm happy to be proved wrong on it, but as I said, banks actually—maybe that fee goes back to Australia Post—but banks...”

Knight: "But you as a customer are charged a fee."

Bligh: "I don't know that that's going to banks, because banks pay Aussie Post..."

This is shocking ignorance from the banks' chief lobbyist. The service post offices provide with Bank@Post is a good service, but is notorious for its hefty fees which the banks justify on the basis that the customers should be charged for using face-to-face services, even though the banks aren't providing the service, the small business post office licensees are!

And while the fat cat banks, rolling in massive profits, are pocketing those hefty fees, they have also cut back what they pay Australia Post to provide the service in the first place—and the government is letting them keep it secret behind the lie of "commercial in confidence".

Get mad!

Government post office bank

There is a solution to the banks not wanting to serve their customers and screwing Australia Post and its licensees, and the solution is the banks' worst nightmare:

Re-establish a government bank, like the original Commonwealth Bank, as a public postal bank to operate through all post offices in Australia.

One suggestion is that it should be called Citizens Bank.

The bank would:

- provide full deposit and loan services to all communities, face to face;
- guarantee access to cash and support the cash payments system so the private banks won't be able to force everyone to go cashless;
- guarantee the savings of everyone who deposits in the bank;
- not discriminate against any lawful business, as the private banks do through "de-banking";
- operate cheaply as it will use the post offices as branches, which cost savings can be passed on to customers through lower interest rates etc;
- properly compensate Australia Post and the LPOs from the revenue the bank generates, which will make postal services viable again; and, most importantly
- *force the Big Four banks to truly compete*, having them in terror that if they continue to close branches and fleece their customers they will lose all of their customers to the public bank.

This week the Senate established an inquiry into the banks closing regional branches, which will consider solutions. The government post office bank is the win-win solution. The Citizens Party will advocate for this solution to the inquiry, and calls on all Australians to support the fight to get this solution passed.

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