

NAB exec lets the cat out of the bag

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Lead Editorial

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The taxpayers who own Australia Post, and the licensees who own community post offices, are subsidising the face-to-face services of Australia's super-profitable, publicly supported major banks.

A NAB executive has inadvertently revealed that her bank has reduced what it is paying Australia Post for its annual Community Representation Fee (CRF) so NAB customers can do their banking through Bank@Post in post offices.

In response to a question from Senator Malcolm Roberts at the first hearing of the Senate inquiry into bank closures in regional Australia, held in Sale, Victoria on 2 March, NAB Retail Executive Krissie Jones blurted out that NAB is paying \$15 million per year, which is \$7 million, or almost one-third, less than the \$22 million it was previously paying.

The Australian Citizens Party found the admission in the transcript of the hearing on Parliament's website.

This revelation is a big deal, because NAB, Australia Post, and the government have tried to keep the CRF dollar figure secret, hiding it behind commercial-in-confidence ever since NAB agreed to renew the CRF in June 2021.

In 2021, Australia Post knocked back the ACP's FOI request for the CRF figure, and in November 2022 the Albanese government refused to provide the figure in an answer to a question from Senator Pauline Hanson.

The only reason to keep the CRF figure secret would be if the banks paid less than they should have to use a service funded by the taxpayer.

In 2018, then-Australia Post CEO Christine Holgate rescued the Bank@Post service, and the post office licensees who provide it, by convincing NAB, CBA and Westpac (ANZ refused) to pay \$22 million annually for the CRF.

That was the minimum service charge to pay for the infrastructure Australia Post provides, separate from the usage charge per transaction.

Announcing the deal in 2018, nothing was hidden behind commercial-in-confidence—Christine Holgate and the banks proudly publicised they had agreed to a \$22 million per annum CRF.

If NAB is now only paying \$15 million a year, it is likely that CBA and Westpac are too.

The most shameful aspect of NAB and the other banks paying less for Bank@Post is they have done so at the very time they have ramped up their mass-closure of bank branches that is forcing more people than ever to bank at post offices.

In its submission to the 2021-22 Regional Banking Taskforce, NAB was explicit that its strategy of closing branches was predicated on being able to send its customers to the post office:

"Our Bank@Post partnership with Australia Post, which we have renewed in 2021 for a further 10

years, is just one way we support the regions, *by providing face-to-face banking services in 1,900 regional communities*", NAB wrote. "The Bank@Post service can deliver over 90 per cent of all transactions previously managed in a branch. ... Where we have closed a branch, *we have always ensured Bank@Post was offered in the same town* and support customers transitioning to the Bank@Post service." (Emphasis added.)

Australian Citizens Party Research Director Robert Barwick said today:

"Why is the government allowing NAB, which made a \$6.9 billion profit in 2021-22, to pay less for a public service it is using more?

"Why is NAB—and likely CBA and Westpac—being allowed to exploit taxpayers and post office licensees to subsidise their profit-gouging operations?

"This illustrates why the ACP advocates for a public post office bank, which could support postal and banking services."

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- The war against ASIC has begun
- Life insurance code a cruel scam for vulnerable customers
- Global majority follow China, Russia to exit neoliberalism
- Farmers movement disrupts 'green' mania in the Netherlands
- CBDCs, de-dollarisation and Australia
- Britain to poison Ukraine with depleted uranium
- 40 years ago: Reagan made history with SDI speech
- The countdown is on!
- Col. Wilkerson: US foreign policy today is to secure the imperial writ
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