



# Australian Citizens Party

Craig Isherwood, National Secretary

PO Box 376, COBURG, VIC 3058

**Phone:** 1800 636 432 **Email:** [info@citizensparty.org.au](mailto:info@citizensparty.org.au) **Web:** [citizensparty.org.au](http://citizensparty.org.au)

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## MEDIA RELEASE

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### **Westpac's deception has left Coober Pedy's bankless residents living in fear**

Because Westpac lied to the Senate inquiry into regional bank closures back in February, the residents of Coober Pedy in remote South Australia are stuck in a financial "nightmare".

Senior 9news.com.au journalist Emily McPherson has documented their nightmare in a very important 27 October article titled "[Coober Pedy's last bank closed eight months ago. Here's what happened next](#)".

The residents revealed:

- They avoid going to the bank because the closest bank is now 540 km away in Port Augusta.
- Coober Pedy's opal tourism economy is heavily cash-dependent, but taking cash to Port Augusta "is a safety issue"—. With no mobile coverage for two-and-a-half hours of the trip, businesses fear they are a "target" for criminals who assume cars driving from Coober Pedy to Port Augusta are carrying cash.
- The few ATMs in town always run out of money because the businesses which operate them can't get enough cash—. Petrol station and restaurant owner Chris Pantelis said he previously withdrew \$50,000-\$70,000 from the bank to restock his ATM, but now he can only restock it from his own cash takings.
- Only Bank@Post provides banking services in Coober Pedy, but customers can't open bank accounts at the post office, and it limits withdrawals to \$2,000 and deposits to \$7,000, woefully inadequate for a town regularly visited by opal buyers carrying half a million dollars in cash.
- Michael Edgecomb, from community group Coober Pedy Together, noted the local Aboriginal population and others "rely on being able to open accounts, get replacement cards and check identities—which you can't do at the post office", so "community services are having to do a lot more work to help people prove identity so they can access cash, and it's really tricky".

#### **Deception**

Coober Pedy is only enduring this nightmare because of Westpac's deliberate deception back in February, when the Senate established the current inquiry into bank closures in regional Australia.

On 10 February, Inquiry Chair Senator Matt Canavan and the entire Senate committee wrote to the banks asking them to pause any more branch closures until the inquiry concluded.

The same day, Westpac replied: "In response to the Committee's request, Westpac will postpone eight regional branch closures that were announced in February 2023. No further decisions on regional branch closures will be made while we engage with the Inquiry."

Politicians and the media praised Westpac for this announcement.

However, in that letter Westpac deliberately omitted to mention seven other Westpac branches slated to close, which also should have been paused, including Coober Pedy seven days later and Carnamah in WA 14 days later. Westpac was the last bank in both towns.

On 17 February, independent journalist Dale Webster excoriated Westpac's "stunning PR subterfuge" in an article in *The Regional* titled, "[Westpac's deception by omission will not be forgotten](#)".

In May, under the pressure of scrutiny from the inquiry, Westpac reversed the closures of the eight paused branches, saying it will keep them open permanently.

If Westpac had not deceived the Committee about the seven other branches, Westpac would have had to include them in its reversal decision, and the townspeople of Coober Pedy would not be living their nightmare.

Australian Citizens Party Research Director Robert Barwick said: "Coober Pedy only ever had one bank, Westpac. Its economy didn't change, Westpac did—into a digital model that doesn't serve customers.

"The government should establish a full-service government bank in post offices to serve these towns

and take customers away from the banks that don't want to provide a service anymore."

### **Post offices in crisis**

The crisis in bank closures massively disrupting communities all over Australia is now being exacerbated by Australia Post aggressively closing post offices, which is where banks like Westpac and NAB are telling their customers to do their banking when they shut branches.

Australia Post is required to operate commercially at a profit, but in the last financial year it made its second-ever loss, which it is using as the pretext to close post offices.

At first Australia Post was closing corporate post offices in the major cities, but now it is trying to close almost 10 per cent of licensed post offices (LPOs) run by small business families.

Australia Post has written to hundreds of LPOs about its Voluntary License Handback Program, inviting them to return their license to Australia Post in exchange for compensation.

Part of the reason Australia Post is under financial pressure is because the major banks are not adequately paying for the banking services post offices provide through Bank@Post, even though they are massively increasing the workload of post offices by closing their branches.

In 2018 Australia Post's then-CEO Christine Holgate did a great deal with three of the Big Four banks to pay \$22 million a year to be represented in post offices, but after Scott Morrison removed Holgate as CEO the banks screwed down Australia Post on the fee when they renewed the deal in 2021.

Australia Post is keeping what the banks pay for Bank@Post secret, claiming it is commercial-in-confidence, even though CBA and Westpac have agreed Australia Post can disclose the figure to the Senate inquiry.

Robert Barwick said: "This drama illustrates that Bank@Post is not an alternative to bank branches—the services it provides are too limited, and it is too dependent on the private banks which are not committed enough to pay properly for it.

"That's why the ACP supports the establishment of a national post office People's Bank—a full-service government bank operating in all post offices—which would:

- Guarantee full banking services, including unlimited cash, to all communities;
- Force the major banks to compete on service;
- Generate substantial extra revenue for post offices, so Australia Post won't have an excuse to close them—a win-win solution to save both essential banking and postal services."

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