



Australian Citizens Party

Craig Isherwood, National Secretary

PO Box 376, COBURG, VIC 3058

Phone: 1800 636 432 **Email:** info@citizensparty.org.au **Web:** citizensparty.org.au

MEDIA RELEASE

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Scott Morrison should resign, not Christine Holgate

Scott Morrison's character assassination of Christine Holgate has removed a threat to the banking oligopoly exploiting Australia.

If Australia Post became a public post office savings bank like New Zealand's Kiwibank or Japan Post Bank, Australians could deposit their savings without having to worry about being "bailed in" (they would be fully government guaranteed), "de-banked", or exploited by financial predators. The Australian people would love the service, but the major banks would be furious at losing their private monopoly over banking and being forced to compete with a public bank.

Australia Post CEO Christine Holgate was spectacularly successful in reorganising the community banking services the post offices provide on behalf of the private banks, by forcing the banks to cough up more money to cover the cost. More significantly, since 2018 she has explored the possibility of Australia Post becoming a post office bank. [Independent journalist Michael West reported on 25 April 2018](#) that his sources had informed him Holgate "is driving the deliberations on Australia Post becoming a bank, leveraging its network of almost 7,000 offices across the country. Holgate is said by those who know her to be driven by community and social purpose as much as commercial objectives." These deliberations were ongoing.

Enter Prime Minister Scott Morrison, Parliament's most shameless defender of the private banks who did all he could to shield them from the scrutiny of the banking royal commission, and then, when the royal commission revealed shocking abuses, doubled down on blaming the banks' victims, insisting banking must be based on the principle of *caveat emptor*—"let the buyer beware" (i.e. if a bank rips you off it's your own fault). Morrison launched a vicious, unjustified and likely premeditated attack on Holgate in Parliament on 22 October, his histrionics way out of proportion to her apparent sin of spending \$20,000 on Cartier watches to reward four executives. But with her subsequent resignation on 2 November, Morrison has succeeded in removing an Australia Post boss who stood up to the banks and whose interest in a post office bank represents a real threat to the private banking monopoly.

'She saved us!'

Christine Holgate is the victim of a grave injustice. It's not that the punishment didn't fit the crime—there was no crime! The media has hardly mentioned that the purchase of the Cartier watches happened two years ago in 2018. This is the first red flag pointing to an ulterior motive: why is it only now in late 2020 that this has become an issue? And why are her enemies in Parliament and the media dishonestly representing the purchase of the watches as a "bad look" in the middle of a pandemic and rising unemployment and debt, when it happened long before the pandemic? Curiously, it was Labor Senator Kimberley Kitching who ambushed Holgate in a 22 October Senate Estimates hearing about the purchase two years earlier. Whatever Kitching's motive, more curious was Morrison's over-the-top condemnation, raising the question of whether his attack was coordinated with his ostensible political opponent Kitching, and why.

Holgate had purchased the Cartier watches as recognition for four executives who had turned around the fortunes of the entire Australia Post organisation. When she first took over as CEO (on a salary less than half of her predecessor's, former NAB banker Ahmed Fahour, who also collected \$10 million on his way out), Holgate sat down with the Licensed Post Office Group (LPOG) that represents the almost 3,000 branches run by small business families under license from Australia Post. They informed her that the cost of providing banking services, on behalf of banks aggressively closing their branches, was sending them broke. "Christine came in and said this situation is not good", LPOG Executive Director Angela Cramp said to ABC on 3 November. "She evaluated and saw what it was costing us." Under Holgate's direction, the four executives negotiated a new deal with three of the four major banks, which each agreed to pay \$22 million per year for three years; 70 smaller financial institutions agreed to pay a similar amount between them. Holgate ensured a significant share of this "community access fee", worth almost \$100 million per year to Australia Post, went to the licensed post offices. "She saved us", Cramp said to the 25 October *Sydney Morning Herald*, "and those people who worked on that team—how hard do you think it was to make the CEOs of the banks pay for a service that they had had for years for free?" Cramp called Holgate "the best CEO that Australia Post has ever had". The branches of the LPOG are so incensed over Holgate's treatment they have started to campaign to each mail \$5 to Scott Morrison to reimburse him for the cost of the watches.

Only ANZ refused to agree to the deal, but its recalcitrance demonstrates how well Holgate and her executives had done in forcing the other financial institutions to cough up. In an October 2018 Senate Estimates hearing, Holgate noted that ANZ had closed 81 branches in 15 months, 20 in the previous three months alone. ANZ's rate of branch closures was double that of the other banks, but it exemplifies the extent to which the banks, hell-bent on rationalising their business to maximise their profits, have taken advantage of Australia Post's community banking services. Holgate ended the banks' exploitation of Australia Post and the taxpayers who own it, and the thousands of small businesses running its branches. By any measure, her executives well and truly earned their (modest by business standards) recognition in 2018. (This year, due to the pandemic Australia Post's executives took a pay cut, but paid a total of \$92 million in performance bonuses to the organisation's 80,000 staff nationwide.)

Christine Holgate stunned the business community when, unlike her predecessor, she did not demand a financial payout when she announced her resignation on 2 November. A former bank director who admires her executive skill told the Citizens Party she was in her rights to demand a big payout; instead, Holgate was more concerned about the licensed post office businesses, and wrote to the LPOG volunteering to support them in developing strategies to ensure their long-term viability. This is an urgent issue. "Australia Post and licensees are all the poorer from this," Angela Cramp despaired in news.com.au on 2 November following Holgate's resignation. "We have all woken up today with no hope." Despite the Liberal Party's constant platitudes of support for small business, Morrison has shown no care for these post office small businesses at all.

The Citizens Party is calling on "Mr Caveat Emptor" Scott Morrison to resign, and for Australia Post to also become a public post office savings bank with Christine Holgate reinstated as CEO. The Citizens Party is developing legislation for a post office savings bank, which can provide banking services for the public, and invest the fully government-guaranteed deposits in a complementary national development and infrastructure bank that will put the funds to work building the infrastructure and growing the industries Australia needs for long-term prosperity.

Please print and share this release with your local Australia Post branch.

Fight bail-in: An Australia Post bank would fully guarantee deposits, which is the ultimate protection against bail-in. In the meantime, we have an opportunity on 30 November to force Parliament to pass Senator Malcolm Roberts's bill to protect deposits in all banks from bail-in. Call your MP and Senators straight away and demand they vote for the Banking Amendment (Deposits) Bill 2020. [Click here to find contact details for your MP and Senators.](#)