



# Australian Citizens Party

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## MEDIA RELEASE

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21 April 2021

### **Morrison was protecting the banks from Christine Holgate!**

Christine Holgate's explosive submission and testimony to the Senate's Australia Post inquiry confirms the Citizens Party's original suspicion—the attack that drove her out of Australia Post saved the Big Four banks from her plans to establish a public postal bank. The submission confirms that the government commissioned the secret Boston Consulting Group report it has been hiding from Parliament not just [to prepare Australia Post for full or partial privatisation](#), but to block any moves to turn Australia Post into its own bank.

On 25 April 2018 independent business journalist [Michael West reported](#) on a tip-off that Australia Post was in talks to become a bank. His information was accurate. After Christine Holgate revealed all in her testimony last week, *The Australian's* Jared Lynch was able to report on 16 April that back in 2018 she conducted a review on a number of ways to grow Australia Post, including through banking:

“Ms Holgate then had big plans for expanding into financial services”, Lynch reported. “This was on top of the \$66 million-a-year deal the four Australia Post executives clinched with three of the big four banks to allow post offices to provide banking services on their behalf, receiving Cartier watches for their efforts. Ms Holgate's vision was to introduce ‘white-labelled banking products, including deposits and home loans’. ‘Australia Post will not need to apply for any new regulatory licences, if it can leverage the licences of its partner/s, and act as an Australian Credit Representative. Australia Post will not be required to become an authorised deposit-taking institution,’ the review states.”

When Michael West reported on this possibility back in 2018, he predicted: “The banks will fight it tooth and nail. Australia Post is considering becoming a bank, a move which could deliver significant competition to the country's banking oligopoly through lower fees and lower-cost mortgages.”

As the Citizens Party observed in its documentary “[Taking on the banks: the truth about the Christine Holgate Cartier watches affair](#)”, an Australia Post bank would break the monopoly of the Big Four banks over the financial system. The overseas experience shows it would attract a flood of deposits, not least because as a government-owned institution they would be government-guaranteed. The banking oligopoly would have to compete for the first time since the Commonwealth Bank was privatised in 1996. The banks would hate it.

The question is, did the banks get wind of Christine Holgate's plans, and make their displeasure known to their number one political tool, Scott Morrison? First and foremost, Morrison is a bankers' bully boy. Not only did he vehemently oppose the banking royal commission, voting against it 26 times, but while it was under way he continually defended the banks. In one stunning admission of virtual complicity he brazenly said the royal commission hadn't revealed anything the government didn't already know about; he also said the principle of *caveat emptor*—let the buyer beware—must be retained, i.e. if you are ripped off by a bank it's your own fault. Two years after the royal commission, it's clear the banks enjoyed Scott Morrison's protection all along—instead of undergoing meaningful reform, they are back to exploiting customers for profit, and the royal commission may as well not have happened.

Christine Holgate was pursuing her banking initiatives in 2018 while the royal commission was under way. Despite desperately needed good publicity, the banks dragged out their negotiations with Australia Post, reluctant to pony up just \$20 million out of their \$7-\$9 billion profits to pay properly for post offices being their agents. It took the intervention of new Treasurer Josh Frydenberg to finally get the banks to commit, for which Christine Holgate publicly acknowledged him, but it is noteworthy his predecessor Scott Morrison had not lifted a finger to help.

Thanks to the attention Christine Holgate's testimony received last week, the brilliance of that banking deal is now common knowledge. It made Australia Post profitable, saved its licensed community post offices, and protected banking services in the hundreds of regional communities abandoned by the big banks. After years of service cuts and downsizing, it put Australia Post on the path to growing the business to fund its services.

It is therefore extraordinary that a year later the Morrison government, specifically Morrison and the two Australia Post shareholder ministers Paul Fletcher (Communications) and Mathias Cormann (Finance), would commission Boston Consulting Group to conduct a “review” to “inform” the incoming

Chairman, Lucio Di Bartolomeo of the government's intention for Australia Post, which was to return to the service cuts of Christine Holgate's predecessor Ahmed Fahour. This was an act of sabotage! The government had a privatisation agenda for Australia Post, but Christine Holgate was getting in the way by expanding financial services and growing the organisation, which the BCG review was intended to stop. And, most tellingly, the review included a recommendation against Australia Post becoming a bank.

This is the [BCG review](#) that the Morrison government hid from Parliament, but Christine Holgate released its Executive Summary in her supplementary submission to the Inquiry, which is now published on the inquiry website. The Executive Summary states: "In financial services, Government and AusPost must consider how best to participate going forward. A more systematic continuation of the current intermediary model, particularly in non-metro areas, appears significantly less risky and less capital intensive than becoming a prudentially regulated 'Postbank'." Don't be fooled by the boring language—this recommendation by BCG would have been enough ammunition for the Liberal-stacked Board and Chair to block any moves by Christine Holgate to expand Australia Post into a bank!

The presence of this recommendation in the BCG review proves the government was determined to stop Christine Holgate's banking plans. Forcing her out in October simply made it more certain. Australians must not tolerate this gang around Morrison sabotaging our country! The Citizens Party demands that this scandal must lead to:

- a complete cleanout of the current Australia Post Board;
- a restructured non-political board including a representative each from the staff and from the LPOs;
- the reinstatement of Christine Holgate as CEO; and
- a public postal "people's bank" ([read the Citizens Party's proposal here](#)).

[Click here to sign the new Change.org petition:](#)  
[PM Morrison – apologise to Christine Holgate and reinstate her as CEO of Australia Post](#)