



Australia Post already has the branches nation-wide to serve all Australians, and has already been delivering banking services through its many branches (for the private banks) for many years now. Australia Post is ready!



# Australia needs a national post office bank now!

25 Nov 2020—For more than a decade numerous organisations and experts have called for an Australian public post office bank to provide a secure alternative to the private banking system. The Citizens Party is finalising formal legislation for a national post office bank, detailed below, and we are calling for Christine Holgate to be restored as Chief Executive of Australia Post to manage it in its new era as the retail agent of a public postal bank.

The very best way to rein in this corrupt banking power is to re-establish a public alternative, which Australia has not had since Paul Keating and John Howard privatised the Commonwealth Bank, completed in 1996. The Citizens Party's proposed national post office savings bank will force the banks to compete on retail services and restore banking services to every community in Australia.

## National postal bank

The Citizens Party's legislation would establish a national postal bank as a separate public entity to Australia Post, but which would trade through Australia Post offices. Rather than Australia Post having its own banking license, the post offices would be agents for the national postal bank just as they are now for private banks, but on more beneficial, customised terms for the post offices as the new bank is designed for the Australia Post branch network. This model would be very similar to the way post offices were the first branches of the original Commonwealth Bank when it started in 1912, but it would be permanent. The model would both ensure banking services to all communities, and the ongoing economic viability of Australia Post's branch network.

It would also get around the ridiculous requirement of banking regulator APRA (Australian Prudential Regulation Authority), foreshadowed in the 25 January 2014 Sydney Morning Herald, that for Australia Post to become a bank, each of its 3,000-odd small business-run licensed post offices, which comprise roughly half of its branches, would need individual banking licenses. (In having this requirement, APRA is being very officious, clearly to protect the big private banks, as it always does.)

The national postal bank would be a basic savings and loans bank. As it is owned by the government, deposits in the bank will be fully government-guaranteed. That means the post bank would not default on deposits, nor would deposits be bailed in, and the guarantee would not be only up to \$250,000, but in full.

### *Australians and the Australian economy are straining under the yoke of a private banking oligopoly which:*

- *starves small business and industry of credit while concentrating its lending in the housing bubble that prices young families out of buying an affordable home;*
- *maximises profits by preying on bank customers to extract wealth through asset-stripping;*
- *withdraws banking services from whole communities through aggressive branch closures to maximise its profits;*
- *denies banking services to anyone it doesn't like, especially small businesses that are competitors to the banking system, making it impossible for them to function in the economy;*
- *is pushing to eliminate cash entirely, in order to lock Australians into banks and force us to transact electronically so the banks can trace our economic activities; and*
- *corrupts the political system through its enormous lobbying power, enabling it to always block any attempt to seriously reform the banking system.*

The postal bank would make loans to individuals and businesses in the community, assessed on their merits based on good lending standards, but not assessed on whether they maximise the bank's profit, which is the culture that has motivated private banks to chase reckless mortgage lending. The postal bank would not engage in derivatives trading or other forms of speculation. Moreover, the Citizens Party proposes that the national postal savings bank would operate in tandem with a national development and infrastructure bank, which invests in the development of infrastructure and industries that Australia needs for productive economic growth and prosperity. The postal bank would invest any surplus funds in the development bank, which investment would also be fully government guaranteed. Australians who deposit their savings in the national post office bank would therefore know that not only are their savings safe, but they are being used for the economic development of Australia.

As a public bank, other benefits of a postal bank include:

- reliable branch services, compared with the private banks which regularly close branches to maximise their profits (while taking advantage of the fact that Australia Post branches provide retail banking services to their customers—effectively sponging off the taxpayers);
- no discrimination—a postal bank would not be allowed to discriminate against particular businesses or favour one business over another, which means it wouldn't de-bank anyone;
- maintain a cash payments system, unlike the private banks which are trying to phase out cash to trap people inside the banking system.

## Widespread support

The era of private bank megaprofits in Australia started in 1997, following the privatisation of the Commonwealth Bank. No longer

having to compete with a public option, the banks were able to close branches and slash staff en masse, gouge customers through fees on everything, and shift to the predatory practices that left thousands of victims and led to the banking royal commission. Due to the banks' own bad behaviour, support for a public postal bank has become a groundswell in the last decade.

In July 2009, a group of six leading economists called for a financial system inquiry in an open letter, which asked: "Should citizens who feel unsure and unqualified to shop wisely in our financial markets be able to access basic savings, payments, and wealth management products that have been vouchsafed by governments as being safe and professionally managed...? In this regard, is there a role for a publicly-owned entity, akin to Kiwibank in New Zealand, to offer essential services in Australia's finance sector that leverage off unique government infrastructure (e.g., Australia Post, the tax system, and the government bond market)?"

In 2013 and again in 2020, the Communications Workers Union, which represents postal workers, and its umbrella organisation the CEPU called for a post office bank. In August the Labor-oriented think tank Per Capita published an excellent discussion paper for the CEPU titled "Postbank: Filling a Void, Securing Essential Services". In Parliament, the Greens, One Nation, Centre Alliance, Bob Katter and other cross-benchers all support a post office "people's bank", and quite a few Labor and Liberal/Nationals backbenchers also support it.

Reviving the Australian economy starts with reforming the financial system, which is why the Citizens Party is fighting against bad policies like the cash ban, de-banking and bail-in, and for solutions like the Glass-Steagall separation of banks and a national bank. Join us!

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



# For national survival, Australia needs a national bank – now!

**New public authorities for essential infrastructure construction**

*Tens of billions per year at low interest*

  
Energy Plants

  
Highways

  
Railroads

  
Dams & Reservoirs

  
Hospitals & Schools

  
Other Infrastructure

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**Productive industries in the private sector**

*Tens of billions per year at low interest*

  
Machine Tools

  
Construction

  
Forestry

  
Farms

  
Automotive

  
Other Productive Industry

THE  
Citizens  
Report







Citizens taking  
Responsibility

Watch it weekly  
at  
[www.citizensparty.org.au](http://www.citizensparty.org.au)  
OR  
[youtube.com/citizenspartyAU](https://youtube.com/citizenspartyAU)

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AUSTRALIA  
**POST  
BANK**



To right a wrong and benefit the nation, the government must replace the Australia Post board, restore Christine Holgate as CEO, and establish a public postal "people's bank". (Image: artist impression)



# The public postal bank solution for Australia Post and the Australian economy

2 Dec 2020—The Christine Holgate Cartier watches affair is a terrible stain, not on the ambushed former Australia Post CEO, who did absolutely nothing wrong, but on the Australian Parliament and the way the two major parties play self-serving political games that serve powerful vested interests but destroy real people and their businesses and lives. The truth about the affair is best known by those most impacted—the small business families who run the almost 3,000 licensed post offices (LPOs) that serve Australia's communities. Collectively these small business families have invested around \$3 billion in Australia Post, but years of being exploited by the government and banks was sending them bankrupt; because Christine Holgate turned around the fortunes of Australia Post and their businesses, they call her the "best CEO Australia Post ever had".

The LPOs are calling for justice, and all Australians should support their demands:

- replace the existing politicised board, which is complicit in forcing Christine Holgate out; and
- re-appoint Christine Holgate as CEO—instead of the government promising to find a replacement "just as good", at the cost of \$160,000, the LPOs are saying go back to the original and the best.

To those demands, add one more:

- establish a national postal bank to operate through Australia Post branches, which would both guarantee retail financial services to all Australian communities, and ensure the long-term viability of Australia Post and its LPOs.

## A win-win solution

More than half of Australia's communities don't have any financial services, often not even an ATM. When they lose their last bank branch or ATM they lose their life-blood and go into terminal decline. 1,600 of these communities are in rural and regional Australia. By law Australia Post must maintain 2,500 branches in rural and regional Australia, around 2,300 of which are small business LPOs.

Australia Post since 1989 has been a corporatised government business enterprise (GBE), wholly owned by the Australian government. The website of the Department of Infrastructure,

Transport, Regional Development and Communications, [communications.gov.au](http://communications.gov.au), states: "Australia Post is required by law to operate commercially and does not receive funding from the government." (Emphasis added.) As part of that requirement, Australia Post is expected to pay commercial salaries to compete for executive talent.

Christine Holgate did not make these governance rules; she was merely the latest in a line of CEOs expected to run Australia Post successfully. Her predecessor had taken a salary more than double hers, and an \$11 million payment on his way out; by contrast, Christine Holgate's total remuneration for the three years she ran Australia Post was just 14 per cent what her predecessor made in seven and a half years. When she took over in 2017, Australia Post was unsustainably selling property to make profits.

After sizing up the situation and consulting widely, including with the LPOs, Christine Holgate saw that the win-win solution for Australia Post, the LPOs, and communities in rural and regional Australia and low-income suburbs, was for Australia Post to provide more financial services. She discussed with interested parties the possibility of Australia Post becoming a postal bank, and she and her executive team launched negotiations with the banks to get them to cover the actual cost of LPOs serving their customers—the banks had exploited Australia Post and LPOs for years by closing their branches knowing their customers could access their accounts through the post office. After intense negotiations, in 2018 three of the Big Four (except ANZ) and around 70 smaller financial institutions agreed to a \$220 million deal, which included \$20 million GST. Because Christine Holgate ensured a significant percentage went to the LPOs, the deal saved their businesses and secured the viability of Australia Post's regional branches and the communities they serve.

## Ambushed!

Yet for this amazing deal that earned Australia Post \$200 million and the Australian Taxation Office \$20 million in GST, out of the blue two years later in October 2020 Labor Senator Kimberley Kitching ambushed Christine Holgate because she spent \$20,000 buying Cartier watches for the executives who made the banks pay! Prime Minister Scott Morrison then piled on with totally over-

the-top fake outrage and forced the board to stand her down, which provoked her resignation.

Not only did Christine Holgate do nothing wrong, she did a brilliant job! After the way she was treated, future CEOs will not be game to play hardball with the banks, and when this current deal expires the viability of Australia Post, its LPOs, and regional communities will be in jeopardy again. This is unacceptable! Demand the government right this wrong; support the LPOs' call to replace the

board and restore Christine Holgate as CEO, and sign the Citizens Party's new petition for Australia Post to become a public postal "people's bank" to operate in tandem with a national development bank.

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

PETITION

# An Australia Post 'people's bank' —a win-win solution for the nation

TO THE HONOURABLE THE SPEAKER AND MEMBERS OF THE HOUSE OF REPRESENTATIVES

This petition of concerned Australians draws to the attention of the House that:

Australia's financial system is dominated by a private banking oligopoly that pursues maximum profit at the expense of customers, the community and ethical standards.

The major banks have focused their lending on mortgages, which has inflated house prices to unaffordable levels, while starving small business, farming and manufacturing of credit. In recent years they have shut hundreds of branches and ripped out hundreds more ATMs in rural and regional Australia and low-income suburbs of the major cities, accelerating the economic decline of many communities. And they have abused their market power to reduce the use and availability of cash and cheques and to deny customers banking services through "debanking".

Australia needs an alternative, public banking system that provides financial services to all communities and invests in the nation's future.

We therefore ask the House to immediately establish:

- a national postal bank—a new "people's bank" like the original Commonwealth Bank—to operate through Australia Post's thousands of post offices; and
- a national development bank to invest in infrastructure and productive industries.

A national postal bank would restore retail financial services to all communities, fully guarantee savings deposits, lend carefully but fairly, maintain cash payments, not discriminate through debanking, and invest surplus deposits in the national development bank to fund job-creating infrastructure and industries.

Name	Signature	City/Town/State*	Phone*	Email*
1.				
2.				
3.				
4.				
5.				

\* Voluntary information

**Please return completed petitions to:**  
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*Citizens taking Responsibility*

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