



Australian Citizens Party

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MEDIA RELEASE

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

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”.

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, 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.

Petition

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

TO THE HONOURABLE 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.

Click here to sign the petition: [An Australia Post 'people's bank'—a win-win solution for the nation](#)