

14.6 NOTICE OF MOTION SUBMITTED BY COUNCILLOR CAI  
SUBJECT: SUPPORT FOR THE DRAFT BILL TO ESTABLISH A COMMONWEALTH POSTAL SAVINGS BANK (CPSB)

I MOVE:

That Council write to the relevant Federal Ministers and all Federal Members of Parliament urging that they support the *Commonwealth Postal Saving Bank Bill 2021* for:

- (i) the betterment of every Strathfield and Australian citizen; and
- (ii) the betterment of Strathfield Council's and all Australian Councils' finances.

Rationale

*Why is postal banking a local government issue?*

- The financial bottom line of councils, can benefit from increased banking competition and low-cost loans, is a local government issue.
- Improving the quality of life for constituents is a responsibility that connects all levels of government.

*Why the need for a post office bank?*

- The Big 4 banks particularly have been closing branches at an alarming rate throughout Australia over the last few decades. Post Offices have a public mandate to remain open to communities everywhere.
- The Big 4 banks particularly have been moving away from face-to-face services and towards electronic services leaving traditional customers, including elderly and disabled, behind.

*How does it work?*

- Local banking and local lending keeps money circulating within the local economy.
- Raises more investment for local, state and federal infrastructure.
- By funding more infrastructure through low-cost loans, there will be more surplus federal and state government revenue that can be utilized for expenditure on health, welfare, education, and public services.

*What are the benefits for Strathfield Council?*

- Lower-cost finance for infrastructure investment is better for Council's bottom line and reduces financial risk.
- A greater slice of rates left for services as a consequence of long-term works being funded with lower cost finance.
- More community aspirations can be included in the Community Strategic Plan and other high-level documents. The CSP can contain more community visions since there will be more effective and more reasonable funding opportunities.

*What are other benefits to residents?*

- More physical locations to access banking services will boost trade and maintain face-to-face banking.
- Better regulation of banks through real competition.
- Far more local infrastructure and consequential increases in the community standard of living.
- Bank retribution fear (debanking) can be eliminated as a government provider is obligated to serve all constituents.
- Lower banking fees and lending cost through absence of the need for the postal bank to pay dividends to shareholders.

*Precedents?*

- Japan, with far less natural resources, has virtually built its high standard of living (e.g. totally rebuilt its industrial economy) using public investment funded by its postal bank, Japan Post Bank.
- New Zealand in 2002 started a postal bank, Kiwibank, which quickly overtook its Australian-owned private banks to become the most trusted banking brand in NZ, because its priority is providing a service to the community over the usual demands to pay shareholders a dividend.
- Australia had a government bank, the original Commonwealth Bank, which also started as a postal bank in 1912, and was successful straight away at lending money to councils for local infrastructure projects; later it was very important for financing industry during and after WWII, including the car industry, and it also financed the biggest expansion of social housing in Australian history in the decade after WWII.

*Why do public banks disappear?*

- Public banks are created to fill a public need, but since the 1970's the private commercial banking lobby grew stronger, eventually overpowering the government's commitment to public banking.
- The public bank is taken for granted while it operates (business as usual) and the general citizenry are rarely aware of its importance. However, public banks are the bane of existence of the private banks because they force real competition across the banking sector to service the wider community.

*Other benefits of a public post office bank?*

- Full guarantee of all deposits since the public national bank is government-owned (no \$250,000 limit) as compared with private commercial banks.
- Maintain cash availability and ensure cash payments for customers as the Big 4 banks drift further toward online services.
- Lend to local small business, boosting the ailing "backbone of our economy".

*Other benefits of a public post office bank?*

- A lift in banking conduct standards is inevitable with a Post Bank which will exist to provide a true banking service.
- The viability of Australia Post will be ensured due to the guaranteed extra revenue post offices will receive from also operating as bank branches (the current service, Bank@Post, is not guaranteed, as it depends on fees from the private banks, which they are increasingly reluctant to pay).
- As mentioned earlier surplus deposits in the Post Bank could be invested in national economic development projects, where even the Federal and State governments could borrow funds from the public national bank (as in Japan).

## RECOMMENDATION

That Council write to the relevant Federal Ministers and all Federal Members of Parliament urging that they support the *Commonwealth Postal Saving Bank Bill 2021* for:

- (i) the betterment of every Strathfield and Australian citizen; and
- (ii) the betterment of Strathfield Council's and all Australian Councils' finances.

## ATTACHMENTS

There are no attachments for this report.

**8.10 United Indian Association – 75<sup>th</sup> Anniversary Independence Day Celebration – Councillor Raj Datta**

I wish to congratulate the United Indian Association, a peak body of community organisations of the Australians from Indian Heritage, and its President Dr Vyas, for organising the 75th anniversary of Indian Independence Day, azadi ki Mahotsav. It was an important event and would contribute to the relationship building between Australia and India. Moving forward the bilateral relationship between India and Australia will become increasingly more important for peace and prosperity of all Australians. Events like this will contribute to building an increasingly stronger relationship between Australia and India.

**8.11 NSW Train and Bus Drivers – Industrial Action – Councillor Sharangan Maheswaran**

That NSW train and bus drivers, more specifically the Rail, Tram and Bus Union (RTBU) and Transport Workers' Union (TWU) be acknowledged.

Strathfield residents would've been affected by industrial action taken over the last month this action has been taken because the NSW Government has demanded that the train and bus drivers that saw us this State through the Covid-19 crisis take a pay cut. More than that, the train and bus drivers are striking, despite an offer of an \$18,000 pay increase, due to tremendous safety concerns regarding foreign made trains and buses being operated across NSW.

Whilst Strathfield residents may have been inconvenienced in the last month, our residents should be assured that this action has been taken for their best interests.

**9. DEFERRED/OUTSTANDING MATTERS AWAITING REPORT**

Nil.

**Items by Exception - Section 13 of Council's Code of Meeting Practice**

187/22

**RESOLVED:** (Blackmore / Hall)

That in accordance with Section 13 of Council's Code of Meeting Practice:

1. Council alters the Order of Business in accordance with Clause 8.1, and
2. The items listed below be dealt with by exception and that they be adopted as recommended by a single Motion:

10.1 Mayoral Minute 20/22 - Trees for Marie Bashir Public School

13.1 Report from Traffic Committee meeting on 16 August 2022

13.2 Report from Multicultural and Diversity Advisory Committee meeting held on 17 August 2022

14.1 Pedestrian Crossing at Hampstead Road - Councillor Raj Datta

**14.6 Support for the draft Bill to establish a Commonwealth Postal Savings Bank (CPSB) - Councillor Cai**

- 14.9 Sponsorship of Chalmers Road Public School Trivia Night - Councillor Karen Pensabene
- GM1 Delivery Program Report - January to June 2022
- GM2 Community Gardens Policy Public Exhibition
- GM3 Draft Small Grants Policy Public Exhibition
- GM4 Event Calendar FY22/23
- GM5 Council Tenders Advertised and Awarded
- CC1 Investment Report - July 2022
- CC2 Councillor Workshop 16 August 2022
- CC6 The Development of Guidelines and a Model Policy on The Lobbying of Councillors
- PE3 Local School Traffic Safety Program
- PE5 Arthur Street Bus Stop Shelter/Shade
- PE6 Car Space Width Increase at Homebush West Car Park
- EO1 Town Hall Renovations

**10.1 Mayoral Minute 20/22 - Trees for Marie Bashir Public School**

188/22

**RESOLVED:** (Blackmore / Hall)

That Council, as part of its environmental education program (Enviro Squad), partner with Marie Bashir Public School to increase shade and reduce the thermal mass footprint by way of installing three mature trees within the school's grounds.

**RESOLVED BY EXCEPTION**

**13.1 Report from Traffic Committee meeting on 16 August 2022**

189/22

**RESOLVED:** (Blackmore / Hall)

That the minutes of the Traffic Committee meeting held on 16 August 2022 be noted and the recommendations be adopted.

**RESOLVED BY EXCEPTION**

**13.2 Report from Multicultural and Diversity Advisory Committee meeting held on 17 August 2022**

190/22

**RESOLVED:** (Blackmore / Hall)

That the minutes of the Multicultural and Diversity Advisory Committee meeting held on Wednesday 17