

TO THE REGIONAL BANKING TASKFORCE

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Financial System Division, Treasury
Parkes ACT 2600

1/12/21
Non-confidential

Dear Ladies and Gentlemen,

While I do not live in a regional or remote region I am an Australian resident who uses my local Post Office and its banking services virtually every weekday.

My name is David Orr and I live on the outskirts of Melbourne. I am now retired but once worked for 8 years in rural and remote regions of Australia so I know how important local Post Offices and their banking services are to the survival of local communities.

Not so long ago the very survival of the said Post Offices themselves was under threat of having to close their doors permanently due to their becoming increasingly unviable businesses.

At that time Australia Post was providing banking services for the big four private banks for little remuneration and having to employ extra staff at a cost to licensees in order to do so.

Then Ms. Holgate was appointed CEO of Australia Post and inside of 3 years she had turned the whole situation around into a profitable enterprise for both the licensees and the Government.

For a reason that defies common sense the present Government then unceremoniously and unjustly removed Ms. Holgate as CEO as was proven through a recent Senate Inquiry into Ms. Holgate's dismissal in which she was exonerated of any wrong doing.

One important factor enabling Ms. Holgate to reverse the situation was by making a contract with three of the big four private banks to pay an annual fee to cover the cost of Post Offices providing banking services for them.

The other was by making the most of the increasing parcel delivery trade when due to lockdowns everyone was shopping online and having their purchases delivered by post.

Since her dismissal the contract with the 3 private banks has now been renegotiated for much less remuneration again putting licensees under financial stress and facing the prospect of having to shut up shop.

Additionally the private banks have put up their costs to we citizens for Bank@Post transactions without increasing remuneration for the Post Office licensees.

The simple solution is to make Australia Post a bank in its own right as the Commonwealth Bank used to be before it was privatized – a Bank for the “Common Wealth”.

Not only do Postal Banks have a proven beneficial and profitable history in other countries like Japan but also we have the proof right here when our Government-regulated CBA played a leading role in our nation surviving and recovering from World War 2.

Making Australia Post a Postal Bank would be a small but important step in the right direction towards our economic and social recovery from the pandemic.

Most importantly it would maintain and protect the survival of regional and remote communities in our country, especially when the internet and/or power supplies are disrupted as was the case for me recently for almost a week due to the damage caused by stormy weather.

Yours Sincerely,
David Orr