

Friday, 1 December 2023

### **Opening Statement - Inquiry into Bank Closures in Regional Australia**

Good morning, chair and members of the Committee. Thank you for inviting us to discuss our submission. My name is Scott Etherington, Chair of the Licensed Post Office Group and I attend with my colleague Angela Cramp, executive director. Thank you for the opportunity to make an opening statement.

Our members inform our views today, the small business owners of Australia Post's Licensed Post Offices. We represent the largest retail network in Australia.

Our members meet and speak with your mums, dads, grandmothers and grandfathers, daughters and sons every day. We are the ones left to help them when the Government-backed, multimillion-dollar banks have deserted them to focus on maximising their profits at their customer's expense.

It is our members, all of them small business operators, left to cover the cost of helping your family when they receive a scam text message trying to extort money from them or to change a \$50 note into something smaller so they can give it to their children to buy a school lunch. The same small businesses show them how to get an account balance because they don't have access to a web browser at home or an "app" on their phone.

What do we get from the banks when we do this? Nothing. Not one cent.

At the end of the day, when we're counting the hundreds, sometimes thousands of dollars of 5-cent, 10-cent, 20-cent and 50-cent pieces we receive from your child's canteen each day, or from your local community group's fund-raising drive, what do our members receive from the banks? Nothing.

What do we get for opening our shops and standing at our counters waiting for a bank customer (with no local access to a bank branch or even an ATM) to come to us to deposit or withdraw their own money? Nothing.

What do we get when these same customers come to us to deposit money into their daughter or son's account? Nothing, because the banks won't let us do that.

What do we get when a bank customer comes to us to deposit the sale proceeds of their car or caravan? Nothing, because the banks won't let us take deposits that large.

When the CEOs of Australia's largest banks sit in front of you and tell you it is ok that they are closing their branches and leaving our communities because Angela and I, and the owners and operators of all the other post offices, are still there to serve their customers, what do we receive to represent them? Nothing.

These same banks making billions of dollars of profit every year say they won't cover the costs for us to be there to serve their customers.

Three of the majors, the CBA, Westpac and N.A.B., pay us a small fee when we process a transaction for their customers, and for that, we thank them. But the ANZ bank refuses even to do that. They won't even allow their consumer customers to do the few transactions available to the customers of other banks. And those banks that are part of the Bank@Post network have refused to cover the increased costs of serving their customers.

Why would they refuse this? The reason is simple: because they can.

Despite the enormous benefits they enjoy thanks to the Government underwriting their businesses, they refuse to pay us the actual cost of serving their customers. They refuse to allow their customers to do basic banking transactions with us. They even have the hide to charge their customers extra fees when they dare to do a banking transaction at a post office, despite refusing to provide an alternative.

We want to be there to serve our communities, but we also want to receive a fair payment for doing it. And that will only happen if you and your colleagues in this building make these Financial Institutions pay the actual cost of representing them in their customers' communities.

Our members are small businesses. We can't pay our staff with Goodwill. Our suppliers won't accept Gratitude as payment for our electricity or insurance. Our landlords want more than our thanks.

We've spent years asking Australia's biggest banks simply to cover our costs for us to serve THEIR customers and they won't. Waiting for their sense of community obligation to convince them to do what is right has failed. In that time we have seen post offices close their doors because their small business couldn't keep subsidising the banks. How much longer should our members continue subsidising the banks. These bankers aren't clever businessmen. They are bullies.

We need you, the people who represent the bank's customers and our members, to change the rules. Change the rules so the local community post offices that are serving the customers of the banks are paid properly. Paid properly to serve your mums, dads, grandmothers and grandfathers, daughters and sons every day.

We have come here today to seek your support to make change happen.

Thank you for inviting us here today. We look forward to answering your questions.

Scott Etherington  
Chair  
LPO Group