Commonwealth Bank of Australia confirms landmark agreement with Australia Post

09-10-2018

Australia Post announced today that the Commonwealth Bank of Australia (CBA) has signed an agreement to support critical investment in Australia Post's Bank@Post service. This is a landmark agreement in the history of Australia Post and will help ensure all Australians can continue to use Post Offices across the nation to access important financial services.

The five-year commitment includes CBA contributing a new annual Community Representation Fee of $22 million and revised transaction fees. This partnership enables Australia Post to invest in the Post Office network in order to help provide safe, reliable banking services, ensure our Licensed Post Office partners will be paid appropriately and support the future prosperity of many communities. Australia Post's Group Chief Executive Officer and Managing Director Christine Holgate said "I am extremely appreciative that the nation's largest bank has taken a lead position in supporting Australia Post. This investment will not only help save a critical service in Post Offices serving the communities of Australia, it saves jobs and supports the financial viability of our local Post Office partners,"

"The agreement ensures customers will be able to access withdrawal, deposit, balance enquiries and passbook services at more than 3500 Post Offices across the country. Approximately 30,000 CBA customers use Bank@Post every day."

There are 1550 communities across Australia, predominantly in rural and regional Australia, who today have no bank branch. The citizens and small businesses of these communities depend on Australia Post to provide access to financial services through the Bank@Post service in their local Post Office. Without this service these communities face significant economic and social challenges. Recent research by Deloitte Access Economics highlighted the important role Post Offices play in local communities. In fact, with every role Australia Post employs in rural and regional Australia, two more jobs are created in the economy.

Today Australia Post loses money operating the service and does not have the funds to subsidise this service further or make the critical investment needed. Many of Australia Post's local Post Offices are operated by Licensed Post Office partners, who as small businesses, do not have the capital investment needed. Without support, Australia Post risked either suspending the service or closing some community Post Offices, which would have hurt communities and cost jobs.

"Matt Comyn and the CBA team have shown strong leadership on this issue and a real commitment to ensuring the prosperity of communities that rely on our Post Offices. I would also like to thank both the Treasurer, The Hon. Josh Frydenberg MP for his support and acknowledgment that all Australians should have ongoing access to banking services, and Mark Korda from Korda Mentha who has supported our discussions," Ms Holgate said.

"Importantly, this agreement will allow Australia Post to increase Bank@Post base transaction payments to our hardworking Post Office licensees by approximately 50 per cent from January 1st 2019, as well as investing in infrastructure including technology and security upgrades, and local marketing. Additionally, we will increase the annual minimum payment to licensees by 25 per cent.

"We continue to have positive and productive discussions with the other three major banks to seek their support for this service. I am very grateful for all the work their teams are doing as we work through these discussions together. Australia Post has proposed that they each commit to a Community Representation Fee of $22 million and revised transaction fees. If they also agree to a five-year commitment, this could deliver up to $500 million of additional investment over this period, the largest ever for Australia Post Offices, securing their future and helping protect the prosperity of all communities across Australia."

Source: Australia Post