

Media Release

15 October 2018

Westpac and NAB join Australia Post in historic Bank@Post community agreement

Australia Post announced today that Westpac and NAB have signed historic agreements that will help guarantee the future of essential banking services, via Post Offices, in communities across Australia.

Westpac and NAB have both given multi-year commitments to partner with Australia Post, enabling their customers to continue to conduct banking transactions in 3,500 Post Offices across Australia using the Bank@Post service.

Importantly, these agreements include a new Community Representation Fee of \$22 million per annum, as well as revised transaction fees that will enable critical investment in the Post Office network.

Today's announcement follows Commonwealth Bank's decision last week to also sign a landmark new Bank@Post agreement that includes a \$22 million annual Community Representation Fee.

Together, the decision of these three banks means Australia Post has secured hundreds of millions of dollars of additional funding required for Post Offices in the years to come.

Australia Post Group Chief Executive Officer and Managing Director Christine Holgate said: "This additional funding will enable us to invest in the Post Office network so that we can provide safe, reliable banking services, boost funding to our Licensed Post Office partners and importantly continue to support communities across Australia,"

"I would like to sincerely thank Brian Hartzler, Westpac CEO, and his team, plus Mike Baird, Chief Customer Officer - Consumer Banking, and the broader team at NAB for demonstrating their leadership and giving their support to the Bank@Post service. In signing these agreements, they have both shown their commitment to securing the future of vital banking services which is critical to the long-term social and economic prosperity for communities across our nation.

"I have been really encouraged by the discussions with the three banks' executive teams. We are together considering additional services for small businesses including coin floats and opening/closing accounts, as well as much more."

Previously, Australia Post has lost money on providing these banking transaction services on behalf of its banking partners. Australia Post 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 either.

The support of these three Australian large banks is essential to maintaining Post Offices, saving jobs, and sustaining this essential community service, particularly in rural and regional Australia.

There are 1,550 communities across Australia, largely in rural and regional areas, which have a Post Office but no bank branch. These communities rely on Australia Post to provide access to banking

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services, such as withdrawals, deposits, balance inquiries via Bank@Post, as well as other essential government services like passports.

Australia Post will use the Community Representation Fees paid by the banks to invest in Post Office network infrastructure, including in technology, security upgrades and local marketing support.

These new agreements also enable Australia Post to increase Bank@Post base transaction payments to its Licensed Post Office partners by approximately 50 per cent and increase the annual minimum payment to them by 25 per cent. This will be an important revenue boost for these partners and in return help ensure their viability.

Ms Holgate said she was disappointed that ANZ Bank has chosen not to commit to this request for support to our community Post Offices at this time.

"We have today given ANZ notice that their current agreement for Bank@Post services with Australia Post will end in three months," Ms Holgate said.

"We will offer ANZ a new contract to ensure their customers are still able to access the benefit of our services and they are not disadvantaged whilst ANZ continues to develop its own strategic options. The new contract will have a different Community Representation Fee to be paid annually, coupled with revised transaction costs. The fee is essential as Australia Post needs to make the investments in the service to ensure both our people and service are safe. With no long-term commitment from ANZ it is critical they contribute to the investment required.

"We have had a long and successful relationship with ANZ for many years, with 6,000 ANZ customers, many of whom are small businesses, using this growing service every day across 99 per cent of our Post Office network. I remain hopeful that we will find a positive way forward together soon."

For more information on Bank@Post visit www.auspost.com.au/bankatpost

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