**Breakthrough! Government looking at a post office bank—and how it should work**

The 28 August report in *The Australian*, “Government-owned bank created out of Australia Post back on Labor’s agenda”, signals the Albanese government is responding to the campaign for a public post office People’s Bank.

Achieving a public post office bank has been the entire focus of the Australian Citizens Party (ACP) for the last four years, after seeing that the post office bank model would be the best way to achieve the ACP’s longstanding goal of re-establishing a public bank, which Australia has been lacking ever since the folly of the privatisation of the Commonwealth Bank.

The ACP worked alongside the Licensed Post Office Group (LPOG), which represents the interests of the 2,850 licensees who run two-thirds of the postal network as small businesses, and which are big champions of a public post office bank.

LPOG recognises the bank’s revenue will support the financial viability of the postal network, thus guaranteeing the ongoing provision to all communities of two essential services—post offices, and face-to-face banking services.

Other strong supporters and advocates of a public post bank include:

* former Australia Post CEO Christine Holgate, who worked on establishing a post bank before her brutal removal by Scott Morrison;
* the Communications, Electrical and Plumbing Union (CEPU), which represents postal workers;
* the Per Capita public policy institute, which wrote an excellent report in 2020 commissioned by the CEPU, “PostBank: Filling a Void, Securing Essential Services” (this is the report that introduced ACP to the post bank model of a public bank);
* numerous prominent economists who advocate a post bank to introduce necessary competition to break up the Big Four banking oligopoly;
* independent politicians, including Bob Katter, Malcolm Roberts, Gerard Rennick, and the Australian Greens, as well as quite a few politicians on the backbenches of both major parties.

The decisive event in the campaign was the Senate Rural and Regional Affairs and Transport Committee’s 15-month inquiry into bank closures in regional Australia, chaired by Senator Matt Canavan, which proved the private banks’ callous disregard for their customers and communities; the ACP, LPOG, and Per Capita all testified at the 1 December 2023 Canberra hearing that a public post bank is the solution to bank branch closures, both in guaranteeing the ongoing provision of banking services for all the communities abandoned by the banks, and in providing competition to scare the banks into stopping branch closures, as happened when New Zealand started its public post bank, Kiwibank, in 2002.

Senator Canavan’s report recommended the government establish an expert panel to examine the viability of establishing a public bank, including one based on the post bank model.

According to *The Australian*’s report, it is the issue of bank branch closures that has prompted the government to look into the proposal.

**How it should work**

The following is what Australians should expect from a government-owned post office bank:

1. An emphasis on, and ongoing commitment to, face-to-face service and provision of cash;
2. A revenue-sharing formula with post offices that funds staff, infrastructure and equipment and ensures the ongoing viability of the postal network;
3. Secure deposits guaranteed by the government;
4. Low-interest, flexible lending, prioritising sectors neglected by private banks—small businesses and farms, community services and infrastructure, personal loans;
5. The default banking services provider to the federal government (and state and local governments that wish to save money);
6. An intention to expand, including into development lending, a government insurance office, and other areas of need in the economy.

This is the bank Australia has been crying out for—Australians should make it clear they expect the government to deliver it.