**The government post office bank Australia needs**

The 28 August headline in *The Australian*, “Government-owned bank created out of Australia Post back on Labor’s agenda”, confirmed that the campaign waged by the Australian Citizens Party (ACP), LPO Group, the Communications Workers Union, the Per Capita public policy institute, and numerous politicians, for a public post office bank had achieved an important breakthrough.

An Albanese government Minister has since confirmed the report, noting that the government’s motivation is solving the problems of maintaining regional bank branch services and the distribution of cash.

However, no details of the government’s discussions have been forthcoming, so what sort of bank is under consideration?

To assist, the ACP outlines here the following features of the sort of post office bank Australia needs:

1. **Service first:** the purpose of the bank is to serve the people and real economy, which starts with customer service, providing face-to-face services for all communities through post offices, which communities can be confident will never be withdrawn.
2. **Full-service bank:** the post office bank should provide all banking services—secure deposits at decent interest rates, and personal, business, and home loans at low interest rates; as a government bank it can operate on a smaller margin between interest paid and interest charged than private banks, because it isn’t there to maximise profit.
3. **Support the postal network:** the post bank must be structured to ensure post offices are paid sufficiently for providing the service, so they remain financially viable and the size of the postal network—more than 4,200 post offices nationwide—is maintained.
4. **Targeted lending:** as a government bank, the post bank can structure loans to benefit sectors most in need which are ignored by the private banks, especially in regional Australia, such as small businesses that are too often denied credit; SME industries, including small manufacturers and farmers; local Councils and community groups; and it can target mortgage lending at first home buyers and regional areas denied credit by the private banks (not to investors or the big mortgage markets in the capital cities that all the big banks are focused on).
5. **National development (infrastructure) bank:** the government has the opportunity to establish a bank like the original Commonwealth Bank in 1912, which also functioned as a development or infrastructure bank, lending to local councils, state governments and the federal government for their infrastructure needs. Japan Post Bank, the biggest in the world, is exclusively a development bank for the Japanese government and is credited with Japan’s post-WWII economic miracle. An Australian post office Bank could help relieve many of the pressing burdens on the Australian economy, including:
* **Cost of housing**—the Post Bank could issue cheap loans to state and federal governments to build public housing on the scale needed to overcome the housing shortage and moderate overall house prices;
* **Gas “shortage”**—the Post Bank could fund public infrastructure pipelines so Australia’s gas could be transported efficiently to where it is needed and stop the private gas cartel extorting the nation;
* **Cost of electricity**—cheap credit from the Post Bank could be invested in public electricity infrastructure so the cost of infrastructure is kept as low as possible, and the savings passed on to consumers;
* **Roads and rail**—cheap credit from a public Post Bank could assist the federal and state governments to finance major infrastructure upgrades and new infrastructure, such as high-speed rail, at the cheapest possible price, instead of the suffocating, extortionate toll-road finance model.

ACP Research Director Robert Barwick said: “This is what a government with vision could establish as a new, transformative post office People’s Bank.”