



Australian Citizens Party

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MEDIA RELEASE

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The economic solution every Australian can get behind

Tell your MP this week: Australia needs a post office 'people's bank'

Parliament starts on 26 July, and whatever agenda the new government has planned, it will increasingly be overtaken by the cost of living crisis in the economy.

There's one economic policy solution which all Australians can get behind, and which will have a far-reaching positive impact—a public post office “people's bank”.

[Click here for the contact details of your federal MP, to email and call them this week, before Parliament returns, to tell them to support the campaign for a post office bank](#) (instructions below).

Transform Australia

A public post office bank can transform Australia, just as the original Commonwealth Bank did after it started in post offices 110 years ago this month in 1912:

- it provided affordable banking services to people who otherwise didn't have access, including to remote workers and soldiers far way in Europe in WWI;
- it provided financial stability, including famously averting a national bank run in 1914, and kept interest rates low;
- it invested in important local infrastructure all over Australia, including through loans to local councils for transportation infrastructure and electrification to boost local industries;
- it saved Australia's primary producers when their export markets were disrupted in WWI;
- it financed affordable homes for returned servicemen;
- it later expanded into a powerful national development bank, which invested in industries including the establishment of the car industry, and in other pressing national needs, including the largest expansion of social housing of any time in Australian history, before and since.

Since the Commonwealth Bank was privatised in 1996, and the private banks no longer had to compete with a public alternative, they have been free to pursue a policy of maximum profit above everything else, which has drastically distorted the economy.

While racking up record profits, they have: closed hundreds of branches; gouged millions of customers through excessive fees; denied credit to small business and farmers, industries, and regions while funneling most of their lending into mortgages, inflating a massive debt bubble and making housing completely unaffordable; and engaged in the serious misconduct exposed at the 2018 Banking Royal Commission, all of which was overseen by ineffective regulators which the banks have effectively captured.

By undermining the small businesses, farms, and secondary industries which create wealth and employ people, while loading households with the second highest levels of debt in the world, the banks have added massive costs to the daily lives of everyday Australians.

Here's how a public post office bank will start to reverse the damage.

Competition

A public post office bank will break the monopoly of the Big Four private banks. If they don't want to lose most of their customers to the post office bank, they will be forced to compete on service, and on improved standards of conduct. This will drive down the cost of banking services, and end the gouging through excessive fees and charges. It will also be a big incentive for the banks to stop shutting their branches.

Guaranteed service

Whatever the private banks choose to do, the public postal bank will *guarantee* face-to-face banking services, which Parliament has designated an *essential service*, to every community in Australia with a post office. That means cash deposits and withdrawals, payments, and lending. Australia Post has the biggest retail network in Australia, which it is required by law to maintain (as in other countries, combining postal services with banking services will expand the revenue of post offices, including small business licensed post offices, and underpin the ongoing economic viability of the network). It

will also guarantee banking services to every individual and legitimate business, and will never “debank” people and businesses as the private banks are doing.

Credit for local communities and businesses

The post office bank will lend back into local communities. This will make an enormous difference to local economies, because it will reverse the current situation whereby the deposits that banks continue to take from regional communities are mostly used for mortgage loans hundreds (and thousands) of kilometres away in the big cities, and virtually nothing comes back to regional communities. The post office bank will focus especially on loans to small and medium enterprises which now are effectively denied credit by the private banks, but it will also provide loans for housing in regions where the private banks are unwilling to lend, and to local institutions, including councils, for local infrastructure.

Financial security and stability

The public post office bank will be a safe place for Australians who don’t want to be exposed to risky financial speculation, but simply want basic banking services and financial security. Deposits in the post office bank will be fully government-guaranteed, as the bank will be owned by the government. The post office bank will not gamble in financial derivatives, but will focus entirely on prudent lending to benefit the real economy. Just as the Commonwealth Bank was, a post office bank would be a safe harbour and source of stability in a financial crisis.

Economic development

The Citizens Party proposes, and has drafted in legislation, that the post office bank should operate in tandem with a national development bank that can direct long-term credit into developing Australia’s industries and infrastructure. The post office bank could invest any surplus deposits in a national development bank, which would be government guaranteed, and expand the capacity of the development bank. Australians who bank with the post office bank would know their savings are helping to develop Australia. Similarly, the post office bank could also expand into a government insurance company, to provide affordable insurance to the regions currently denied insurance or charged exorbitant premiums by the private sector.

Email and call your MP this week!

Now’s the time to contact your federal MP to tell them to support the post office bank proposal:

- [Click here to find the contact details of your local MP.](#)
- Send an email telling them about the post office bank proposal, why you support a post office bank, and that Bob Katter MP intends to introduce a bill for one, which they should support. Ask the MP to inform you of their position.
- Very important: call their office! At a minimum, call them to confirm they received your email. If you can, reiterate on the phone why you support the post office bank, and why they should also support it.
- [Click here to download the Citizens Party’s flyer, *Australia needs a public post office bank*](#), to send as an attachment in your email to the MP.
- Share any responses with the Citizens Party.

[Click here to sign the Citizens Party’s petition for a post office people’s bank.](#)