

## Greens urge a publicly-owned People's Bank as part of a big-government platform

Written by Michelle Grattan, Professorial Fellow, University of Canberra

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Greens leader Richard Di Natale on Wednesday will put forward a radical proposal for a publicly-owned "People's Bank" to give "affordable" services and inject "real competition" into the sector.

In an appeal pitched to the Greens' base and voters on Labor's left, Di Natale will tell the National Press Club the Greens "are the only party proudly arguing for a much stronger role for government. Today's problems require government to be more active and more interventionist, not less".

He will say that the only current competition between the banks "is in their race to the bottom".

"Through the People's Bank, the Reserve Bank of Australia (RBA) could offer banking services to the Australian public online, via Australia Post branches, and other contracted organisations," he says in his speech, released ahead of time.

"In the face of ongoing misconduct and price gouging, it's time for government to step in and ensure that there is a low-cost banking service, backed directly by the RBA, that is focused on the everyday savings and mortgage needs of customers".

Di Natale's address comes in the wake of the Greens' failure to win the Batman byelection, after a campaign that saw damaging division among their local members.

He notes in the speech that the Greens increased their primary vote in the seat - which Labor held with an increased margin - but there has been criticism of his leadership following the byelection and the party's poor performance at the recent Tasmanian election, its heartland state.

The "People's Bank" policy taps into widespread community criticism of the banks, which can only be reinforced by the damaging material coming from hearings of the royal commission into "misconduct in the banking, superannuation and financial services industry" that is now running.

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Under the People's Bank proposal homeowners would be able to borrow up to 60% of the value of their property directly from the RBA. With a minimum interest rate of 3% plus 0.5% administration charge, it would always deliver loans that householders could pay off faster and more cheaply compared with the present offerings from the big banks, Di Natale says.

"The People's Bank will give current and future homeowners a much-needed advantage over investors," he says.

:We have a housing crisis that has been created by governments. So now is the time for government to step in: through a People's Bank, by ending policies skewed in favour of investors like negative gearing and the capital gains tax discount, and through a massive injection of funds for social and public housing".

In his speech, Di Natale also embraces the concept of a "Universal Basic Income" (UBI), saying the current social security system is outdated, given the changing nature of work and increasing inequality.

The present arrangement "can't properly support those experiencing underemployment, insecure work and uncertain hours."

A UBI is needed to ensure "everyone has access to an adequate level of income, as well as access to universal social services, health, education and housing.

"A UBI is a bold move towards equality. It epitomises a government which looks after its citizens, in contrast to the old parties, who say 'look out for yourselves'. It's about an increased role for government in our rapidly changing world".

The Greens are also advocating that parts of the electricity system be re-nationalised, starting with the interconnectors between states. They are "exploring a government energy retailer to compete in a re-regulated retail electricity market with no frills, easy-to-understand policies, transparent pricing and, best of all, cheaper energy bills".

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*Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organization that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.*

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