



6 December 2021

Secretariat
Regional Banking Taskforce
Financial System Division
The Treasury
Langton Crescent
PARKES ACT 2600

To Whom It May Concern:

I write to respond to the questions in the Regional Banking Taskforce Issues Paper November 2021.

1. *How are Australians changing the ways they are accessing banking services? What are driving these changes?*

Many Australians in regional areas are travelling long distances to access banks. This is not by choice. Banks are closing their branches in smaller areas. In our town of Gulgong NSW, we used to have 3 bank branches. CBA is the only bank with a local branch remaining and that has just reduced its hours (closing at 1pm each day). It won't be long before this is gone too. We have 3 schools in town, each with a canteen. These canteens are now coming to the local post office to deposit their daily takings. Other cash business (Hotels, Council offices) also use the Post Office to deposit their daily takings.

2. *What banking facilities, services and products are used in regional bank branches?*

Cash withdrawals and cash and cheque deposits are very common. Also needed are bank balance enquiries. Making cash deposits onto Credit Cards is also popular. What is often requested is to deposit money into another account (using BSB and Account Number). Unfortunately, this service is not available at the local Post Office.

3. *Are there particular banking products or services that need to be delivered face-to-face or have support provided face-to-face? Are any of these particularly important for regional customers?*

Opening an account requires Identity checks to be done, which requires a face-to-face interaction.

4. *What are the impacts of regional bank branch closures on the banking needs of individuals?*

Bank closures have an enormous impact on local individuals, businesses and the community generally. All levels of commerce ultimately come back to a banking transaction. With no bank these transactions become more difficult and sometimes impossible. This encourages businesses to move away (taking jobs and income with them) to centres that have easier access to banking facilities.

5. *What are the impacts on the banking needs of businesses, community organisations and communities?*

Despite the use of debit and credit cards, cash still plays a significant part of retail business transactions. Business must have access to a local bank branch to be able to deposit daily takings or replenish their cash floats. Community organisations raise funds in various ways and typically rely on cash to do this. This requires the community to have ready access to cash, and for the organisations to be able to deposit those funds.

6. *Are there particular issues in the provision of banking services in regional Australia for specific vulnerable groups?*



The reluctance or inability to access internet banking affects a huge percentage of people in regional areas. Without access to this technology these groups are unable to access banking services if a bank branch is not available. With the explosive growth of online scams many people are reluctant to trust the internet or their mobile devices when it comes to financial transactions.

7. *What more could banks do to help customers transition to alternative banking services that would enable them to do their banking in a timely, efficient and cost-effective way?*

Retail banking requires a retail footprint. If the existing retail banks don't want to do this then the Australian Government should empower Australia Post and let their retail outlets offer full banking services to the 4500 communities they currently service.

8. *Are there facilities, services and products provided in bank branches that are not available through alternatives like ATMs, Bank@Post, phone banking, mobile banking, the telephone and the internet?*

You can't open an account with any of the services you mention above. There have been a number of outages in the last 12 months when ATM's, mobile banking, telephone and internet stopped working, leaving Bank@Post the only banking solution in our local community.

9. *What are alternatives to bank branch models that would maintain or improve banking services and accessibility in areas where branches have been closed?*

An Australia Post Bank would improve the banking services and accessibility in over 4500 communities tomorrow.

10. *Are there any alternative models for the provision of banking services that could be considered for adoption by banks in Australia?*

Empower Australia Post to provide full retail banking services. Their retail outlets are trusted today with processing Australian Passports, Western Union Money Transfers, Identity Checks for licenses, Land Titles Transactions, and with the delivery and acceptance of sensitive material. By creating an Australia Post Bank you will help underwrite this essential service in rural and regional Australia.

11. *What are the lessons from Australian and international experiences that can help improve banking services and accessibility in regional communities where bank branches have been closed?*

Dozens of countries have proved the value of a Postal Bank. Creating a Postal Bank underwrites an essential service (ie the post network) and, at the same time, expands the reach of banking into nearly every community of the country.

As Australia's retail banks continue to abandon communities and shirk their obligations to their retail customers it becomes more important that the power to provide retail banking services be granted to someone else; someone like Australia Post. Australia's banks enjoy a statutory oligopoly while they shirk their responsibilities to their customers and the communities they supposedly serve. They no longer reinvest in the communities that built them and instead focus on removing services and access. It is time to revisit the purpose and value of true retail banking by bringing it back to local communities. There is only one organisation in Australia that has a true national retail footprint in place today: Australia Post. Let it become a bank and bring banking back to more than 4500 communities right across the country.

Kind regards



Scott Etherington