

Establishment of Postal banks in Regional Areas.

NEED FOR A COMMONWEALTH POSTAL SAVINGS BANK SERVICE

I operate a couple of small businesses in the regional community of Mount Compass, South Australia. Like many other rural and regional communities, Mount Compass has suffered a significant reduction in banking services over recent years. Mount Compass is only about 1 hour by road out of Adelaide, but geographically is very much a rural community surrounded by productive farm-land, and has over many years fostered a strong community spirit which is important to the majority of local residents. Once upon a time our town had a well-appointed Branch of the Bank of South Australia operating pretty much full-time with its own Manager and a couple of staff. The local school children were encouraged to open saving accounts, most of which were with the local bank. Our sporting and social clubs were strongly supported and most had club accounts with the local bank. Our town's community facilities included community owned sports grounds in good repair, a well-appointed community funded war memorial community centre, a well patronised sports and social club and a number of individual sporting club facilities. Our community thrived on an ethos of financial self-reliance, although grant funding was always appreciated when available, and working bees were amazing. We levelled our own oval out of a hill-side with, amongst other implements, horse-drawn scoops and even made our own concrete blocks for the walls of the war memorial hall. It still has one of the best dance-floors on the Fleurieu Peninsula.

Our local bank provided an important and much appreciated service to our township and adjacent rural community. Our bank manager, like the school headmaster, was an important and respected member of the community.

A decade or so ago our bank scaled back its operations before finally closing altogether, and our local community members were expected to take this in their stride and embrace the oft-promoted wonderful advantages of EFT payments and online banking. Great idea in theory, especially for those in the big cities, or well-served by the limited coverage of the National Broadband Network. Unfortunately, out at my farm, only about 5km from that ex-bank building, the NBN hasn't really reached us yet. To get any reception at all I have a specially installed directional Yagi antenna on my roof pointed in the general direction of the Mount Observation Telstra Tower, and if I stand on the roof on one leg when it is not raining too hard, I can sometimes get a bar of reception on a mobile device. This is how I communicate with the outside world. On a good day it can be adequate, but it is a long way short of the standards of reliability that our city cousins take for granted.

Customers come to my farm to buy fresh seasonal produce, and hopefully get out their credit cards to pay by EFTPOS, only to find that more often than not I have to hold the EFTPOS machine in the air as high as I can and run around the carpark until either it works, or alternatively they have to dig out their purse or wallet and search out cash. They don't always expect to have to use cash, and don't carry as much these days. This generally curtails their capacity to buy as much product as they might otherwise book up to their credit card. We lose sales, and good will, and naturally become entitled to feel grumpy. If we happen to be dealing with a bus-load of seniors at the time who are usually time-constrained by their itinerary, then it can be even more disconcerting for them as well as us.

This intermittency is bad enough at the best of times, but it is not uncommon for the single Telstra tower to drop out completely for hours at a time due to power interruptions coupled with failure of back-up systems. We have no control over this, but it is funny that when you phone to find out

about faults, at first you tend to be told that there are none, but after a few hours during which somebody presumably goes to have a look, the system eventually gets restored.

It is against this background that it is particularly important to have the back-up of banking facilities within reasonable distance of our business, and while our post office even now has a capacity to provide a limited range of banking services, it would certainly appear to make good sense from the community's point of view to enable post offices to augment their other services with the capacity to provide at least day to day savings bank services. Having reasonable cash reserves available at a reasonable distance in the community does provide at least some back-up for trading when EFTPOS is not an option.

If we want medical and other hi tech services to be provided along with tourism and state of the art commercial services in rural and regional areas, how about providing a simple and cost effective framework in which such things can flourish? At the end of the day, ensuring that these services function efficiently in rural and regional areas will be to the benefit of the whole country, and thus should augment rather than take away trade from the traditional banking industry.

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