

Keith Derek Kerr  
[REDACTED]  
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30<sup>th</sup> November 2021

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

Re; Submission to the Regional Banking Task Force.

My name is Keith Kerr as a concerned citizen I felt compelled to write my submission to you. I for a very long time have witnessed the decline in banking services in regional and rural Australia and felt its ongoing negative effects on those communities. that I have visited and traveled to. I have tried to stick to your terms of reference and in doing so I may come across as a bit critical of past government policies and inaction but I speak for the right reasons and with total conviction and this is my submission.

**Analyse the trends in bank branch closures in regional and remote Australia;**

It is abundantly clear that between 1975 and 2021 the number of bank branch closures in regional locations of Australia is being closed at an alarming rate and that rate of closure has indeed accelerated over the past two years. Between 1975 and 2021 according to a report by Independent journalist Dale Webster published in her online news service *The Regional*, 'During this period 61.5 percent of bank branches in Australia has collapsed from 2,802 to 1,080, according to her study.

The banks have also ripped out 20 percent of all ATMs nationwide since 2016.

This trend has been manufactured by the banks as a deliberate unjustifiable attempt to force us (their customers) into electronic banking as part of the bank's war on cash. When you remove bank branches and ATM's you are denying us your customers' access to our cash and our basic right to access affordable reliable banking services. Banks have a social and moral obligation to serve the community. But instead, you are turning your backs on us causing a state of anger, distrust, and a lack of confidence in both government and the banking industry.

It is high time you as a government put the **needs of the people before the wants of a bank** or financial institution.

**Assess the impacts of these branch closures on individuals, businesses, community organisations, and regional industries (including business and land values) and determine accessibility issues and wider impacts on communities from these branch closures for banking facilities, services, and products;**

The impacts of these branch closures have been well documented in the 1997 Wallis Inquiry into Financial Services and the 1999 Regional Banking Services: Money Too Far Away reports. Your failure as a government to implement fully the recommendations from both of these reports suggest this may be another useless talkfest. I hope it is a genuine attempt to resolve a serious problem.

These closures have forced us as individuals, as business owners and organizational representatives to travel in some cases a considerable distance to do face-to-face banking

for making deposits, getting change, opening accounts taking out loans, face to face service for banking advice, etc. Our travel time is unproductive time and a cost to our business. The banking association needs to remember that when their services go down whether it be at a bank branch or a private business it can take up to a full day or more to rectify their problem just like what happened during the recent bushfires that occurred along the Eastern coast of Australia. When the system goes down without a bank branch or an ATM in your town how do you access your cash savings in an emergency? You could not get fuel for your car or food for the family to eat. It was a terrible time for all of us.

A friend of mine who lives in a small country town went to the supermarket had a trolley full of groceries went to pay at the register. She only had an EFTPOS card and was told the system was down. She had no cash and no way to access her cash savings because the bank had closed and they removed the last ATM from her town. Try using empathy and stand in her shoes and look at things from her perspective and through her eyes to get a real taste of reality that highlights the level of dissatisfaction felt in and across all communities where bank branches had closed.

Internet banking is not always available in many regional communities, whilst many elderly people do not understand nor do they trust internet banking. We hear so much about cyber-criminal behaviour and hacking of people's accounts happening daily here in Australia installing fear in the elderly so why would they want to change?

All small cash businesses must be able to access small change to give customers that pay with larger nominated notes. When we get low on the change we jump in the car and go next town that has a bank that can give us change. Often we are forced to hold a larger percentage of our takings in smaller nominated cash for general trading purposes in the safe overnight.

In numerous towns where the banks have closed the people ask what will close next? In many towns, their hospitals and schools have also closed due to changes in government policies. In some instances, this has been the death nail in some towns where people sell up and move to a larger town with more job opportunities. In such cases, property values may fall. But in some larger towns like Casterton, the economic activity is growing despite the bank closure and removal of ATMs.

Another disturbing trend is Debanking. This problem needs to be addressed where legitimate businesses are being denied banking services. This would certainly not happen if the bank was a government-owned bank. You need to seriously look into this appalling behavior.

Why are the banks making it easier for criminals to access people's accounts with this tap and go using a mobile phone? You may see it as a convenience but I see it as a red flag if someone was to steal my phone and make unauthorised purchases with it.

The big question is **are you as a government going to put the needs of the people first** or is this another lost opportunity or just a waste of time?.

### **Assess how banks transition their services and delivery models to communities where they have closed (or will close) branches;**

Most banks have closed their doors and removed ATMs without any community consultation leaving their customers stranded forcing them to look for alternative solutions. Some use electronic internet banking to pay their bills while some have moved to Bank@Post which helps with some functions of banking but that comes at a big cost. Three to four dollars per transaction for something that used to be free. In some communities, before Christine Holgate became CEO of Australia Post licensed post office owners were going broke

servicing the deserted bank customers for a pittance, and subsequently, some went broke and closed.

If it wasn't for Christine Holgate securing the Bank@Post deal with three of the big four banks and many of the smaller banks and approved deposit-taking institutions, there would be no banking services at all in regional Australia. The big banks are currently sponging off the backs of licensed post office owners by not fairly compensating them for the work they do on the behalf of the banks. It is just sheer greed by the banks.

You cannot take out a loan, get face-to-face banking advice at the Bank@Post service. You can pay bills, deposit money, and make withdrawals but that is about the size of it. If you have a problem then you have to make a trip into a larger town with a fully operational bank to get any problem fixed. **We, your customers need access to banking services in all regional towns.**

**Identify alternatives to bank branch models that would maintain or improve banking services and accessibility in areas where branches have been closed and potential solutions to overcome accessibility issues where branches have closed.**

There is a solution to this debacle where these closures have directly impacted the lives of the people living in rural and regional parts of Australia that is to ensure ongoing affordable banking services through the establishment of **a government-owned POSTAL SAVINGS BANK that will benefit the government and people who live regional and rural communities.** This is something we need and we need it now. Postal banks operate successfully all around the world and here in Australia it is long overdue.

If a bank is going to close its doors in any town or suburb then it should place an ATM in that town or suburb and ensure that it is regularly serviced. I use cash wherever possible. I rarely use cards as they can be scammed at a point of purchase and identity theft to me is a real issue. Since you as a government have failed to implement the recommendations of the Hayne Royal Commission into Banking then I hold little chance in you addressing this issue. Will you be brave enough to do the right thing and demand fairness for the common good of the people that you are supposed to represent? Give us what we need a government-owned Postal Savings Bank?

If you wish to discuss any of these matters with me I am happy to talk to you. I can be contacted on [REDACTED].

Kindest regards Keith Kerr – Citizen of the year for the Shire of Bulla 1992