



THE LAW SOCIETY  
OF NEW SOUTH WALES

Our ref: RIC:JWsl161221

16 December 2021

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

By email: [regionalbanking@treasury.gov.au](mailto:regionalbanking@treasury.gov.au)

Dear Secretariat,

### **Regional Banking Taskforce – Issues Paper**

Thank you for the opportunity to contribute to The Treasury's Regional Banking Taskforce - Issues Paper ('Issues Paper'). The Law Society has prepared the following comments on relevant questions in the Issues Paper with input from its Rural Issues Committee.

#### **General Comments relating to the digital divide**

We note that the Issues Paper acknowledges that face to face banking services, whether through an Australia Post Office or through deploying a mobile banker, are important to providing services for those who are vulnerable and marginalised, particularly those with limited digital literacy and/or access to transport options. The Issues Paper also acknowledges the digital divide between metropolitan and rural, regional and remote ('RRR') areas) and the real challenges posed in respect of accessing digital services. Our members report wide-reaching issues in RRR areas, ranging from inadequate technology infrastructure, low digital literacy, and a lack of digital equipment in the office or home.

Our members have reported issues relating to accessing online banking due to the use of security measures such as a two-step verification process, in the context of poor telecommunication technology. A user may not be able to access the internet or have poor phone reception, or the connectivity may be so poor the text message code times out before it can be entered into the banking platform. This can result in an inability to access funds.

The ABS Census (2016) results indicate that the digital divide disproportionately impacts regional NSW and areas with high Aboriginal populations. It also shows how internet access differs *within* local government areas (LGAs). Below, by way of example, are internet usage statistics relevant to LGAs in NSW where there are high Aboriginal populations, compared to Woollahra LGA (an urban LGA) and to the NSW average. These figures, provided by Just Reinvest NSW, were extracted from the ABS 2016 census results.

| <b>Location</b>   | <b>% not accessing internet from home</b> |
|---|---|
| Moree LGA   | 28.4%                                     |
| Boggabilla (suburb in the Moree LGA)                      | 44.2%                                     |
| Bourke LGA  | 31.8%                                     |
| Willmot (Mt Druitt – suburb within Blacktown LGA)         | 25.2%                                     |
| Lethbridge Park (Mt Druitt – suburb within Blacktown LGA) | 27.4%                                     |
| Blacktown LGA   | 12.3%                                     |
| Woollahra LGA (comparator)                                | 6.4%                                      |
| <b>NSW</b>  | <b>14.7%</b>                              |

In the Law Society's view, investment in government-funded regional infrastructure is vital to overcome the digital divide, and this is relevant to services beyond the banking sector. This includes upgrading telecommunication and National Broadband Network facilities. We further suggest providing funding to upgrade technology in local public facilities, such as public libraries or government service providers, and developing dedicated information technology hubs in regional areas for those without access to reliable internet at the office or home. Public technology hubs could provide education and training on digital literacy and cyber security to users, which would contribute to increasing confidence in conducting financial transactions online.

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

It is the view of our members that attending bank branches is vital to the efficient running of a business in RRR areas. In areas where connectivity is poor, businesses by necessity are accustomed to attending a branch to obtain bank cheques for large transactions, interstate transactions, sale of business transactions and transactions relating to Water Access Licenses. These are fundamental aspects of business, and the inability to transact face to face, where online connectivity is poor, is a major service provision failure.


**Question 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?**

We note that most banking facilities are provided through alternative means. However, it is the view of our members that attending a bank branch is the most efficient manner in which to conduct large transactions. Almost all property transactions take place through an electronic lodgment network operator, and yet in rural areas with poor internet connectivity, smooth completion of these matters can require involvement of a bank branch to ensure that funds are cleared in sufficient time for settlement.

Our members have advised that less straightforward banking processes such as acquiring bank cheques, opening trust accounts, applying bank guarantees, some large cash transactions and applying for mortgages cannot be undertaken or are significantly more difficult through an Australia Post branch. It has been further noted that as Australia Post is a franchise, the financial services offered by franchisees vary.

Should you have any questions or require further information about this submission, please contact Stephanie Lee, Policy Lawyer, at [stephanie.lee@lawsociety.com.au](mailto:stephanie.lee@lawsociety.com.au) or on (02) 9926 0275.

Yours sincerely,



Juliana Warner  
**President**