

18 December 2021

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

Via email: regionalbanking@treasury.gov.au

Dear Secretariat,

Thank you for the opportunity to contribute to the Regional Banking Taskforce. As Australia's oldest bank, Westpac is committed to providing quality advice and services to our customers, wherever they choose to live. Although Westpac maintains a large network of branches across Australia, our bank has been investing to offer customers choice in how they do their banking. The Westpac Group network comprises a number of strongly recognised community banking brands, including Westpac, St.George, Bank of Melbourne, Bank of South Australia and Rams.

Like many sectors and industries, retail banking has transformed in recent decades. The Westpac Group supports the submission made by the Australian Banking Association to this Taskforce, which details these prevailing industry trends and changing consumer behaviours.

The shift towards digital services and banking is customer-led

Westpac proudly maintains a footprint of branches across all Australian states and territories. Our strong commitment to regional Australia is illustrated by a third of our physical branch network being found outside metropolitan areas.

From time to time, however, the decision to close a local branch is taken. These decisions are never made lightly. They are made after careful consideration and consultation, usually in response to a decline in customer attendance in favour of digital and other more convenient services. While the decision to close a regional branch also considers usage data, we are particularly sensitive to the ramifications of how this decision will impact a smaller community.

Approximately 97% of customer transactions are now performed online or via credit or debit card services. Consumer preferences, digital innovation, and the COVID-19 pandemic are driving a clear shift towards online banking. There has been a rapid decline in cash use by Australians over the past decade and increases in the value of purchases made on credit and debit cards.¹ Some of Westpac's competitors operate in a completely online environment and have never offered traditional 'bricks and mortar' face to face services.

Westpac is investing to increase customer choice and banking accessibility

Westpac is committed to providing access to banking and financial services in regional communities. There are now more ways to bank than ever before. Online, 24/7 & 'ConnectNow' services allow customers to undertake banking at the time and location which is most convenient to them, eliminating for example, lengthy drives into town or opening hour restrictions. Services

¹ RBA Debit card, Credit card & ATM statistics, September 2021

to customers and businesses include banking apps, phone and internet banking, ATM banking and virtual banking appointments, which includes the facilitation of home loans.

We now have more than 400 virtual banking mortgage lenders around the country. In addition, our digital and telephone banking services have grown by more than 10-15% over the past two years, including roles brought back from overseas through 2020 and 2021 as part of a repatriation of 1000 Westpac jobs. We also have a fleet of more than 1,400 mobile bankers and a specialist team of almost 100 regionally-based agri-business banking specialists.

Changes to Westpac's branch network over the past two years

Westpac has the second largest branch network in Australia, with 800 branches. Approximately one third of our branches are located in regional & rural Australia. Only a small proportion of closures occurring over the past two years have taken place in a regional setting. In all of these cases, we retained a Bank@Post partner service.

A new approach to Westpac Group's regional network

Westpac's unique multi-brand position affords us flexibility to maintain a physical presence in regional Australia, where customer demand for a physical branch would otherwise be marginal. Through our co-location pilot program, Westpac has begun merging two brands in the same building in selected regional areas. Nine multi-brand branches are currently operating successfully in Alice Springs, Darwin, Grafton, Dubbo, Lithgow, Murray Bridge, Port Augusta, Renmark and Tanunda. The merged branch locations typically retain full operating hours and provide distinctive service and sales propositions for respective customers. We expect to increase the number of these multi-brand service centre sites during 2022.

Bank@Post

A small proportion of customers experience challenges in taking up phone or internet banking. Westpac Group remains committed to its commercial arrangement with Australia Post which allows regional residents to use their local post office to undertake banking services, including withdrawals, deposits and bill payments. During normal business hours, Westpac personal and business customers can access banking services at 3,533 participating Post Offices across Australia, including at 1,909 regional and rural locations. The Bank@Post partnership extends our reach and services across Australia.

Indigenous and remote communities

Major banks have an important role to play in ensuring the sustainable success and prosperity of First Nations peoples and Australia's remotest communities. Westpac has a market leading Indigenous and remote banking capability, with specialists who understand that helping First Nations Australians, businesses and remote communities to thrive requires respect for culture and community.


Westpac's Indigenous Banking Service is a dedicated national team that forms part of our bank's frontline customer engagement strategy. Westpac Remote Service in conjunction with our Indigenous connections team (a dedicated in-language call centre team), provides a wholistic approach to the delivery of non-cash banking services and support in remote Australia.

Westpac has a proud history of supporting regional Australia

Westpac has stood alongside regional communities as they've battled some of the worst curveballs in living memory, including drought, bushfires and more recently, flooding. Over the last financial year, Westpac has provided natural disaster relief packages to over 700 customers.

Westpac recognises that banks play an important role in underpinning the economic and social fabric of Australia. We welcome the opportunity to discuss in further detail the important topics raised for discussion by the Regional Banking Taskforce.

Yours sincerely,



Ross Miller
Chief Customer Engagement Officer and Westpac's Regional Banking Taskforce Representative