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Regional Banking Taskforce  
Financial System Division  
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Dear Secretariat

Oh, to bring back the days of the sociable community banking facilities of yester-year! Having grown up in the 1960's our banking experience from a very early age of six when we had a REAL Commonwealth Bank that provided REAL services to the schools and community in general. Each week we would line up in the primary school grounds, eagerly awaiting to deposit our 20c (yes, that was a significant deposit for a six-year-old starting school) into our Commonwealth Bank passbook account. Gradually, we would watch our savings grow and the numbers increase in our passbook accounts. Then there was the Commonwealth Bank Money Box in which we would collect our coins and build up our savings in that manner. Once the tin was full, off we would go to the bank and deposit that into our accounts. As children, we learnt to save from a very young age – it also taught us very strong values around money, the importance of saving first and then buying the things we desired once we could afford them. There was no credit card/debit card/lay-by facility/after-pay, etc. You saved and then you bought what you could afford.

Move on to the 1970's, after finishing school and a secretarial course, my first job was with the Rural and Industries Bank of Western Australia. Back in those days, the R&I Bank of WA was a State-based bank and therefore a popular choice for Western Australian people. In particular, the R&I Bank of WA had, if I remember rightly, the most extensive network of bank branches for regional areas with branches in most country towns, their size depending upon the size of the community. For those smaller towns with smaller populations that didn't warrant having its own bank branch, there was always a Bank 'agency' that performed the basic banking transactions – such as withdrawing and depositing cash/cheques, savings bank/current account transactions, transferring of money between accounts, etc. These 'agencies' generally tended to be the local Post Office, the local newsagency or perhaps even the local supermarket. They would perform these duties via deposit slips which would then get transferred to the nearest Bank branches who would then on-process those slips.

The larger towns where the actual branches were located were a key part of that area. They were staffed well, according to size and population requirements, and each one having a branch manager, loans officer/s plus the other general banking staff. The branch staff served their customers well. The face-to-face contact was critical to people in these regional communities being able to access all the facilities that those in the city had. The branch manager and the staff were people you could build a relationship with, make appointments to apply for loans with and any other banking requirement that was needed without having to travel, wait for hours on the phone after trying to negotiate your way through multiple 'choice' options to get to the right department, or try to negotiate through a website to find out information on how to do things or find out information, as is how things work today.

When ATM's were introduced in the 1980's this was the 'beginning of the end' of the banking service as we knew it. It did relieve, to a certain extent, the long queues to see a bank teller, particularly on pension day, when all the pensioners would come in to deposit their cheques or Friday's when people were wanting to withdraw money for the weekend. Since then, banks have introduced more and more technology to the detriment of all Australians. Technology will never replace the critical face-to-face banking service that was once provided.

Banking back in those days was simple and easy for everybody whether you lived in the city or in the country regional areas. They all provided the same level of service. However, for those living in the regional areas those services have been slowly diminishing over a period of time and I can only imagine causing a great deal of inconvenience to their lives, particularly for those who are older and more used to a face-to-face banking service and who remember the good ol' days of the friendly local Bank Branch and their staff.

The regional communities would so well benefit from a reinstatement of a Commonwealth Postal Banking Service, as proposed by the Citizens Party, which would provide a much-needed face-to-face service so people can access their basic banking requirements. The introduction of a Commonwealth Postal Banking services would ensure the longevity

of the local community post offices also, and ensuring their survival by providing an absolutely basic and critical service that regional communities are so deserving of.

Between 1975 and 2021, the number of bank branches in regional locations in Australia has collapsed by 61.5 per cent, from 2,802 to 1,080, according to an excellent study by independent journalist Dale Webster published in her online news service The Regional, 'Big Four' banks casting a dangerous shadow.

There are 1,145 post offices providing Bank@Post services to regional and rural communities with no bank branch, according to the taskforce issues paper.

### Consultation Questions

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

The changes to banking services have been driven by the BIG FOUR major banks themselves. They have changed their technology, increased profits by closing down services and reducing staff numbers. It started by the introduction of ATM's in the late 70's/early 80's. Then the banks introduced telephone banking, proving to be a huge inconvenience whereby customers would have to negotiate a myriad of options to get to the department they wanted to speak to, and finally online banking services. People have been forced unwillingly to adopt to these new inconvenient technologies because the Banks removed the traditional face-to-face services that were once provided.

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

People will use whatever services are provided. If there are no banking services in a particular area then people are forced to travel out of town or to the nearest location where their banking service provider is located. This becomes very problematic; particularly for the elderly and farmers who rely on access to cash facilities if all facilities are removed, such as bank branches, ATM's, banking agencies, and makes life significantly more difficult for them to do business.

#### **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?**

For all communities a face-to-face banking service is critical. People in rural areas particularly require these services to run businesses and particularly farmers require access to face-to-face banking services from season to season. Farmers, particularly, can never predict how the weather patterns are going to affect their crops which directly affects their capacity for income and expenses and therefore access to loans are necessary in times of extreme hardship caused by extreme weather events.

All communities, city or rural, have a need for face-to-face banking support. Online banking services are only as good as the technology that provides that service. Many areas do not have efficient internet speeds or connections. Elderly people quite often are not computer literate or have the skills or technology to use online services. They also are not capable of navigating their way through the myriad of options from a telephone banking service only to find that the wait time is an hour or more. For anybody, these wait times to speak to 'somebody' who is located on the other side of the country or overseas has absolutely no clue as to the needs of a particular local community at any given point in time.

Re-introduction of the good ol' days when banks provided all services for their local customers enables business to prosper, and allowing people to get on with their lives more productively to the benefit of that community.

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

The impacts of regional as well as city/suburb bank branch closures are massive. It causes great inconvenience to many and disrupts peoples' business/work day. People who have to travel long distances to access the nearest banking facility wastes peoples' time when they could be getting on with much more productive business. The whole community is disadvantaged by not having access to banking facilities.

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

As mentioned above in question 4, the impacts are massive and inconveniences the whole community, community organisations and all businesses. Everyone individual, business, community organisation requires money, cash and access to facilities. What happens in the event of flood, bushfires or other disasters? People in rural and regional areas, in particular, are cut off from their nearest banking facilities? How are they to access cash or other banking services? Banking services are critical for everyone in the community.

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

The most vulnerable groups of people in rural and regional areas would be the elderly, who are unable to understand the complicated technology that the Big Banks expect their customers to navigate. Also, time-strapped farmers who work extremely long hours and have to provide for their farm-workers. To have access to a bank branch manager, who understands the needs of the local farming community like nobody else, is an enormous asset to the farmer, and to provide their financial requirements in the way of long-term or short-term loans, based upon the seasonal weather events is critical.

**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?**

Nothing can replace the service that a local bank branch with full services provides, and if not a local bank branch, at the very least, a Bank@Post or other such banking agency that can at least provide an easy access to cash and basic banking requirements. Since the 1980's the Banks have changed their focus from a Customer Service Based attitude to a Profit-at-any-Cost attitude. The ONLY banking that can be done in a timely, efficient and cost-effective way is a local banking service with bank staff or staff trained to act on behalf of the bank.

**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?**

There are many ways that bank branch services and products are not capable of being replicated by ATM's, telephone, online banking. Nothing replaces a face-to-face transaction in a bank branch with a bank staff member, whether it be applying for a loan, opening an account, day-to-day-teller deposits and withdrawals, etc. A Bank@Post agency would be able to a long way towards providing for a proportion of those needs however not all services would be able to be provided by Bank@Post.

There is no-one who knows the needs of a local community than the local Branch Manager, when it comes to loans, particularly in rural farming communities. That is definitely not available through other technologies.

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

At the very least, a Bank@Post agency in all locations which provides a banking service so people could access cash from their accounts and do other basic banking transactions would be definitely beneficial to having no service at all. To provide people with an alternative to a not always reliable internet service is imperative. Everybody should have access to a facility that can provide them with cash in an emergency. In this day and age, cash is still a very important commodity and particularly for the older generation who may not have the technology or skill to use the alternative online or telephone service banking.

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

Banks could consider the use of a Bank@Post service and even perhaps employ a bank staff member to work at that Post Office specifically for the purpose of conducting banking business. People would then have a fully trained bank staff member who would have more knowledge that they could refer to for such things as opening/closing accounts, credit card applications, etc. The Post Office staff could conduct the general cash transactions, withdrawals and deposits, however the Bank staff located at that Post Office would be available to handle other types of transactions, perhaps. The bank would pay the Post Office for the service they provide however if the bank really wants to engage with the community, then a bank staff placement would be an asset to them as well as the customer.

**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?**

Establishing a Commonwealth owned Postal Bank, as proposed by the Citizens Party, will guarantee banking services and provides competition for the Big Banks. It can also be tied into a long-term National Development or Infrastructure Bank to help industries expand and provide for infrastructure in regional areas.

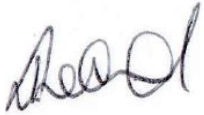
Japan-Post is the most successful postal bank in the world. The deposits of this postal bank went entirely into the Japanese economy post-World War II.

**In Summary:** It is evident that the Big Four private banks have evolved a more powerful and predatory approach to the way in which they do business over time. These banks have been implicated in the background of billions of dollars stolen in corporate business collapses in the past and these have had a devastating impact on the lives of those Australians who have been caught up in this.

It is time that a Commonwealth Postal Bank be established that services not only regional Australia but also is used to support a regional industry and infrastructure programme to improve infrastructure across the nation will essentially benefit every Australian, as proposed by the Citizens Party. The private banks will then need to become more customer-orientated if they are to survive and let go of their predatory tactics and control.

Australians deserve to have access to an effective banking service regardless of where they live.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carolyn Read', written in a cursive style.

Carolyn Read