

The Secretariat
Regional Banking Taskforce Financial System Division
The Treasury
Langton Crescent
PARKES ACT 2600
By email: regionalbanking@treasury.gov.au

17 December 2021

Dear Secretariat,

Re: Submission to Regional Banking Taskforce Financial System Division

I refer to your terms of references which are to bring together banks and other key stakeholders to work together in partnership to share information and identify ways in which banks, in collaboration with Government, assess the impact of bank branch closures in the regions.

In the Context, you said:

Banks provide a variety of services to their customers. These include enabling customers to open and close accounts, to deposit and withdraw cash and to obtain various types of loans.

Over time, however, the provision of banking services has changed. Changes in financial regulation, technological developments like the growing use of electronic banking, shifts in consumer demands and demographic shifts towards larger cities and towns have contributed to the pressure on banks to reduce their branch networks.

Other data show that more than 80 per cent of Australians prefer to transfer money, pay bills or check account balances online and less than 20 per cent of Australians say they prefer to do their banking activities in branches, with 72 per cent of Australians reporting that they did not visit the branch of their main bank in the month leading up to September 2021.

This submission will affect million customers of [REDACTED]

Background

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

From my perspective, I would like to provide the response to the questions of the Regional Banking Taskforce Issues Paper as follow:

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

Answer:

It is more difficult with less face to face and the local branches only have bank tellers.

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

Answer:

Deposit cheques and cash. You are unable to sign loan and are directed to major centres or cities.

Question 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?*

Answer:

Yes, when farming seasonal conditions can vary and farmers rely on support from banks. Banks would also come to the farm for inspections and without local branches it is more difficult to get sufficient service.

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

Answer:

Enormous impact. As mentioned in the above answer.

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

Answer:

Farmers take time out of their day to travel long distances to reach the closest banking branch.

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

Answer:

Vulnerable people rely on banks to access pension and benefits and receive face to face assistance, and not all are computer literate, especially the older generations.

Question 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?*

Answer:

Banks should explain details of the essential documents in loan contracts when they are asked to sign loan contracts and therefore the internet would be less important.

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?*

Answer:

It difficult to explain loans, overdrafts and their situations to an ATM.

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

Answer:

If the bank provided customers all the essential documents and explained them before they were asked to sign a contract, internet banking would work just as well as normal banking.

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

Answer:

No. Also, banks should be required to remove staff that have acted dishonestly and pay compensation to farmers like me.

Question 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?*

Answer:

Banks need to be honest and upfront with their clients.

I believe the Regional Banking Taskforce Financial System Division can use my case to demonstrate how farmers, like my family, who have businesses in regional areas have dealt with the changes introduced since we signed loan contracts with [REDACTED]

[REDACTED]

Should you require further documents, please contact me.

Yours sincerely,

Bill Pavlic