

Submission to the Regional Banking Taskforce

To the members of the Regional Banking Taskforce,

I respectfully submit to you the following comments and opinions. I am retired and live in southern Tasmania, In my local commercial centre of Cygnet (postcode 7112) we now have only one bank with a branch in the town. The Commonwealth bank, being the last of the big four banks to close its local branch around two years ago. I am aware that Australia Post offers limited banking facilities for three of the four major banks. However, I banked with ANZ, but since they refused to participate in the post office limited banking service, I found it necessary to move my business to the Bendigo bank as it is the one remaining bank in my area. Had I stayed with the ANZ I would have had an 80 kilometre round trip to do my banking business. This was unacceptable to me and suggested a lack of concern by the ANZ for its retail customers.

I am aware that my experience of the major banks failing in their delivery of service to their retail customers is repeated right across regional Australia. I also believe the power of the major banks needs to be tempered and that there should be true competition between them. As an ordinary member of the community it is not evident to me that genuine competition exists.

While I appreciate the limited banking services offered by Australia Post on behalf of the major banks participating in the arrangement, it is by no means an ideal arrangement for retail customers. I ask therefore, that the TaskForce seriously consider recommending the formation of a government owned bank offering full banking services, operated by Australia Post and that the service be offered from local post offices. I believe there are a number of benefits to this proposal. This will make the private banks responsive to the needs of its customers and should help in generating greater competition between the private banks and publicly owned postal bank. Profits generated by such a bank would remain to be used by the government to the benefit of the people and could well help to fund major infrastructure projects. The proposal would help ensure that local post offices remain viable and add another source of revenue for them, thus keeping more post offices open in a time when the number of letters being mailed is in decline. But the need for parcel delivery is increasing.

It is not as though a government owned bank is an unprecedented concept. In the last one hundred years most of the States and Commonwealth governments owned and operated banks. I believe this changed following pressure from private banks on governments because they found it difficult to compete and exercised considerable influence on the governments to divest themselves of their banks. This I believe was to the detriment of the people of this country.

Yours sincerely

John Tindall