

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

In 2006, I had met the [redacted] manager when I was living in Western Australia and in 2011, when I purchased a farm, I asked the [redacted] manager if he would support me to purchase my new farm in Wingadee Gin Gin Queensland. I was told that I could borrow 70% of the purchase price, and that this loan could be approved at the [redacted] and everything followed as agreed.

[redacted]
[redacted]
[redacted]
[redacted]. This was a concern because at that time, there has been a flood followed by a very serious drought in the area, and there were national problems with the livestock export ban.

[redacted]
[redacted]
[redacted]
[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:

In person services are diminishing and service are going online are increasing.

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

Answer:

Face to face dispute resolution and extending of loans. Personal contact, online, with the use of internet is unreliable.

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:

Dispute resolution, as under the Code, needs to be face to face, talking about hardship and extending the loans. Home visits and visiting the bank. Face to face service is essential for resolving difficulties.

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

Answer:

Closures cause the people to find other solutions, it takes up time to using banking quickly, opportunity loses, farming difficulties, and resolving these in an efficient manner.

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

Answer:

People are not getting the services they want, they are getting pushed into more difficult situations, and are able to get their businesses to function how they like.

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

Answer:

There is no support for peoples with disabilities and their financial needs in rural areas.

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:

If you cannot have someone permanently in a rural area, there should be someone available part time for face to face banking.

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:

As soon as you have a problem, or need to extend a loan these services are unable to deal with their clients as effectively as a face to face branch.

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:

Internet banking or traveling to the nearest branch which may be several hours away, or rely on bank staff to travel to where you live. Previously, that has not proven to be effective because the people traveling to see you quite often have a busy schedule and all of the essential documents are not provided or dealt with.

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

Answer:

Sharing one branch between banks or using the post office.

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]

Should you require further documents, please contact me.

Yours sincerely,

A handwritten signature in blue ink that reads "R. Feierabend". The signature is written in a cursive style with a horizontal line at the end.

Ronald Feierabend