

15 December 2021

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

Submission to the Regional Banking Taskforce

Dear Taskforce

As a resident of a small country town where bank branch closures have occurred until we have none, I feel qualified to make a submission to this taskforce which I understand is looking into regional banking.

We in the country have good reason for thinking that we are looked upon as “out of sight and out of mind” when it comes to regional banking.

The continual demise of country bank branches has left our citizens and especially our businesses in a difficult situation whilst trying to effectively access banking services and maintain competitiveness in their region.

There are many reasons why a new banking service like “Bank @ Post” would be so good for the whole of our country. There are Post Offices all over the country which could fill this gap created by the banks and those affected could again have the convenience of local banking which could be independent. It should be backed by our government, and truly competitive supplying credit for infrastructure and other meaningful projects which would be a real benefit to our people.

Such an independent banking system will no doubt be anathema to our big four and Macquarie but it would be and is a problem of their own making.

When banking was deregulated we were told that this would create competition and drive the costs to the customer down. History has proven otherwise. Costs have gone up, services have been withdrawn and those depositing money with the banks are treated as unsecured creditors and offered interest rates which are almost non-existent.

A banking system such as “Bank at Post” would be for the people, by the people to serve the people. Supplying credit at reasonable rates, backed by our own government to create jobs which would in turn create infrastructure which would benefit everyone. It would be a “win/win” situation. It would also establish true competition which appears to have evaporated in banking.

The number of local bank managers has declined to the point where they cease to exist. No longer can country people speak with a local manager who is in touch with the local people and situations or who knows the pressures they personally face. Going back twenty years or more, I personally had to explain all this to one of my own bank managers!

He was sent to the country with next to no advice or experience of farming and grazing. I actually felt sorry for him. Local knowledge is essential for those in banking to be effective. A "Bank at Post" structure would and could deliver such a service whilst making the welfare of its customers a priority.

Face to face banking services are still essential for the wellbeing of customers. Internet banking services have certainly revolutionised banking but they are not enough on their own.

People still demand and have a right to cash for some transactions. Access to a local bank manager is essential where borrowings are involved. Financial advice about what the bank expects of its customers when large amounts of borrowings are involved is still important.

Australia's original Commonwealth Bank was a wonderful example of what I have been describing. It did its job well and our economy thrived under it and the politicians who had the foresight to establish it and maintain it. Its demise as our own national bank was a travesty of justice as from then on, we in Australia were subject to the whims of international bankers who have not had our best interests in mind and this was proven by their actions.

I submit that Australian Regional Banking would be well supported if it was again introduced in a positive way where our people benefited in the ways I have described. It would not only be a benefit to them but it would be profitable for the government who would and should back it financially. A great investment all round.

People will actively and happily support financial institutions which prove that they have their best interests at heart and provide the essential services that they need. There is no doubt that independent regional banking has a real and vital future in Australia and I plead with the taskforce to make the necessary recommendations to make it happen.

Yours sincerely,
Max Goulter