

25th November 2021

Graham Miller

To: Secretariat
Regional Banking Taskforce
Financial System Division
The Treasury
Langton Crescent PARKES ACT 2600

Re: Submission to the taskforce regarding regional banking.

Dear taskforce members,

I write to you today to remind you that we Australians want solutions to the growing trend of bank closures in regional Australia. Here's the problem that must be addressed:

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*, 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 your discussion paper, "The number of branches in regional and remote Australia has fallen from around 2,500 to 1,900 in the four years to June 2021 (a decline of almost a quarter) with a 5 per cent decline in branches in the past year." and there are 1,145 post offices providing Bank@Post services to regional and rural communities with no bank branch.

In recent decades, we have had at least 2 inquiries into regional banking.

In 1999 the federal inquiry chaired by Liberal MP David Hawker, *Regional Banking Services: Money Too Far Away*, claimed to have elicited commitments and promises from the banks to stop closing branches, but these were never kept.

A 2004 Parliamentary inquiry, *Money Matters in the Bush*, received from CBA a "watertight commitment not to reduce traditional branch numbers below a thousand"; the latest Australian Prudential Regulation Authority (APRA) figures reveal that CBA now has 875 branches left.

It is time to stop begging the banks to keep their regional branches open, and instead force them to compete with a public option, a postal bank. Postal banks are successful all over the world; the US Congress is considering a bill to re-establish postal banking through the US Postal Service; and, indeed, Australia's Commonwealth Bank started as a postal bank.

A postal bank would guarantee banking services in perpetuity for all of those communities, irrespective of what the private banks do; however, in order to not lose their regional customers en masse to the postal bank, the private banks will have to lift their game and

again compete on service, which would stanch the exodus of private bank branches. It's a win-win solution.

Yours Sincerely
Graham Miller