

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

18 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 2005, having had a successful farming business in northern Queensland, Lloyd Bradshaw and I (Nolene Bradshaw) signed a loan contract with [REDACTED], one of the world's leading agribusiness banks. This was a good decision, or we believed it was a good decision. In 2008, [REDACTED] adopted the 2004 Code of Banking Practice.

This was shortly after the government introduced self-regulation in banking, which followed recommendations made by the Taskforce on Industry Self-regulation. With self-regulation, we had been told by the government, customers would be better off, and that must also have included Australian farmers like us.

In 2009, we signed a new loan contract with the bank. At that time, we thought Australian banking was being watched over in a way that would totally avoid any injustice or harm, because banking was being watched over by the government's federal regulators, ASIC and APRA.

On 7 June 2011, the Government imposed the Livestock Export Ban. This knee jerk reaction by the government prevented cattle going out of the Northern Territory and beyond for export, hence, property owners in the Territory needed to sell cattle so many of these cattle came to Queensland placing a huge glut on our markets. We were suffering considerable hardship. The introduction of this livestock export ban affected us. [REDACTED]

[REDACTED]

The effects of the livestock export ban may not have been a national problem nor the worst drought in Queensland's history which began in 2012 but both these events extensively affected Queensland.

In 2013, the federal government provided '*special concessional loans*' to northern Queensland farmers, and as we had always paid our interest on time, on 2 September

2013, we contacted [REDACTED] in relation to an application for this Special Drought Assistance loan of \$650,000. However, the bank failed to respond.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] clause 25.1 of the 2004 Code of Banking Practice ('the 2004 Code'). It requires the bank to "*exercise the care and skill of a diligent and prudent banker in selecting and applying [it's] credit assessment methods and forming [an] opinion about [our] ability to repay*". [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

From my experiences with the bank, I would like to provide my 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:

By computer and mobile phones where internet service is available. Internet service is still not available in many remote areas of Queensland.

In cases where there is no local bank, banks must take responsibility to be sure clients receive all the necessary documents that are available to assist them. In our case, our closest bank was 3 to 4 hours drive away. From 2005 to 2017 we would not have visited our branch 5 times.



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

Answer: *Deposits and floats for sporting organisations*

Transfer of money

Obtain some change(money) for my purse/wallet for those times when cards cannot be used

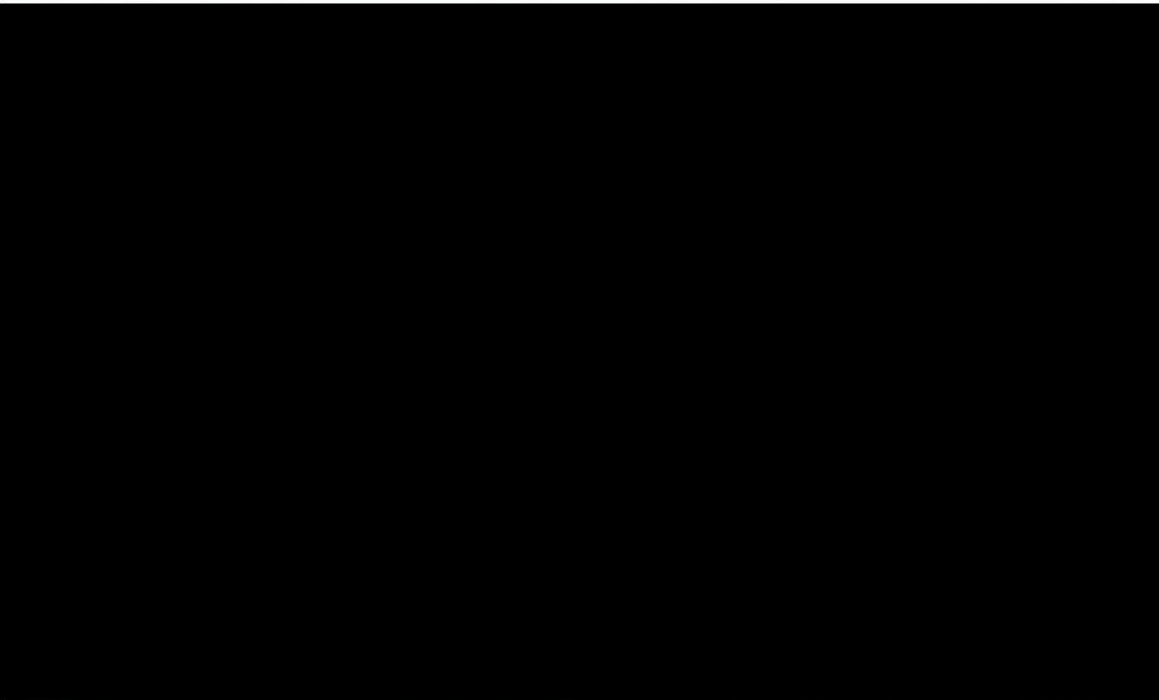
Banking service advise

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:

Many people in regional / remote areas dislike dealing with machines; most farmers just want to see a face so they are sure of being understood and will be comfortable with the outcome. Unless computers are used frequently, they are not friendly.

The bank offers a service to people, it is the banks responsibility to offer the essential elements in the AS 4269-1995 Standard to resolve disputes free of charge should it be necessary.



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

Answer:

Having to travel many 100's of kilometres to a bank, for examples 3-5 hours one way, which is not practical if you are chasing funds for a sporting function "float" or similar.

It takes business out of your own town and if you do not have a car, drivers' licence or public transport, you cannot do your banking. The inconvenience of navigating a phone service for a question is difficult.

Unemployment of prospective banking personal makes it difficult to keep young people in country areas.

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

Answer:

Most businesses handle cash, what can people in remote areas do when they require funds at short notice, deposit funds or require change?

Banks in remote areas employ locals, closing banks reduces jobs in these communities making it difficult for local people to live and work close to home.

Reduces fresh blood and fresh ideas coming into the community

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

Answer:

Absolutely especially the elderly; illiterate people; people without a car licence, and people without mobile phones and computer.

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:

Why? *People who live in remote areas **NEED** people contact. Australia is a large continent; it is important for the health of people living in these areas to have their body and soul fed by visiting their local town and having human contact.*

Offer the service, do not take it away

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:

Inquiry after a loan, eg. Loan for a car, a home

Access to cash and a friendly face.

If bank personnel live in the community they would have a greater understanding of the community needs, in times of drought etc

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:

Banks, fairly and honestly pay another organisation to attend to their business for those people who require that service.

Open an independent people bank.

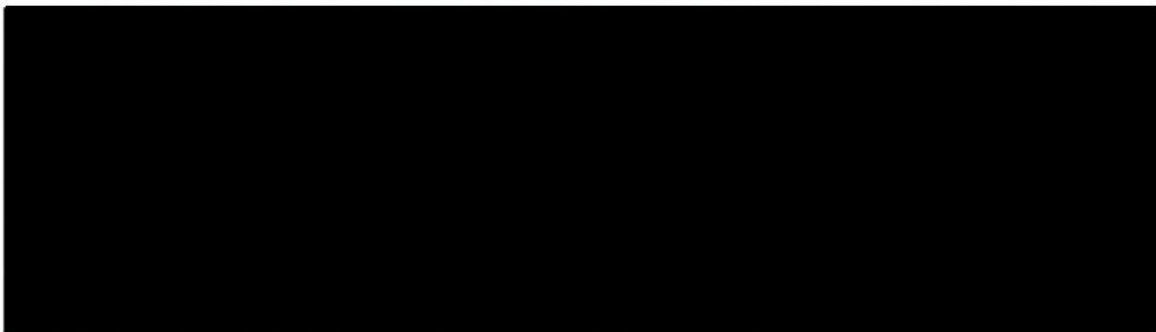
Question 10: *Are there any alternative models for the provision of banking services that could be considered for adoption by banks in Australia?*

Answer:

Australia post, and an independent people's banks run by local people in those remote areas.

Had we been given all the necessary documents when we signed our loan contracts, the outcome of our case would have been completely different.

Earlier this year, we advised the bank that farmers like us who attended meetings at Parliament House 2 years ago claimed they were not provided copies of the 2004 Code of Banking Practice. The bank did not believe this was very important; however, we did because without this Code, we did not know what our rights were during the term of our loan contract.



I believe the Regional Banking Taskforce Financial System Division should use my case to demonstrate how farmers and regional small businesses, cannot deal with misconduct by city-based banks. Therefore, in spite of my comments set out above, my family believes

all documents that form part of the loan contracts should be forwarded electronically to them one week before they are asked to sign the agreement.

I met a lot of people at Parliament House meetings, and they all claimed they did not know anything about the banking code. A survey carried out by the bankers' association three years after the 2004 Code was published, showed that 40% of banks in Sydney, Melbourne, Brisbane, and Canberra did not have the 2004 Code on display. How could anybody resolve dispute with their bank if they did not have a copy of the Code, the AS 4269-1995 Standard, and the ASIC Regulatory Guide 165 (November 2001)?

My family expected our bank to comply with its responsibilities under these documents, but its staff did not treat the contract sufficiently important to protect us. All documents must be provided to customers 7 days prior to them being asked to sign agreements and this can only be the responsibility of the bank's head office. This benefit of using technology to protect farmers and small businesses in regional areas is essential.

Should you require further documents, please contact me.

Yours sincerely,



Nolene Bradshaw

