

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 2008, I had 3 loans with different banks and [REDACTED] claimed it could consolidate the loans and provided additional finance for plant and equipment after it had reviewed my business plan for the next 5 years. We then purchased a property at Munglinup which is 80km west of Esperance, Western Australia, with this additional capital.

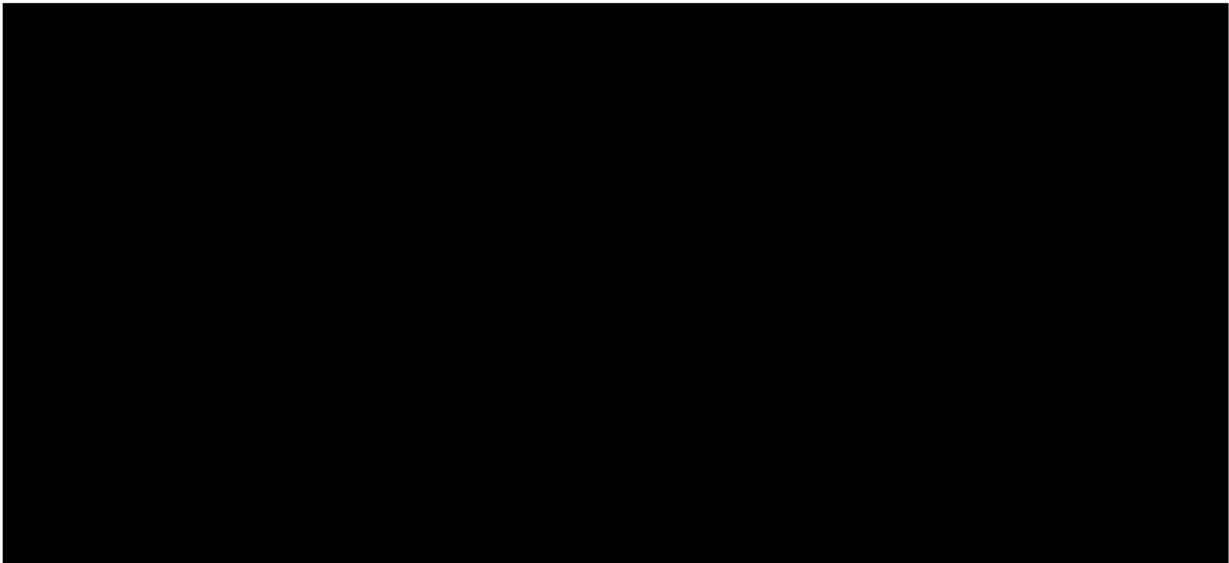
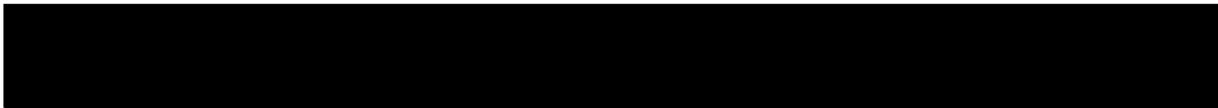
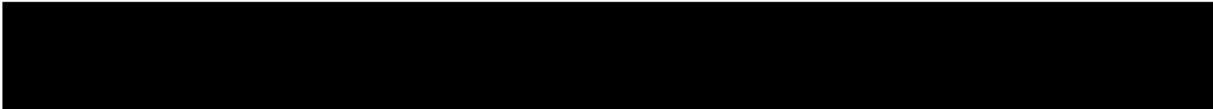
In 2012, we had not reached the position we had projected in the 5 year plan and the bank suggested that we should sell one of our properties. We then put the property that we considered was the best one on the market. It was Whurramundi at Cummins at Port Lincoln. That meant we would be able to sell this farm to the Qatar government, but the bank would not accept it as it was the subject to the foreign investment review board. This was not a good political decision according to the government and we believe the bank was concerned that it may be a complicated transaction.

At the same time, there were other problems in the livestock and farming industries, as there was a significant drought in parts of Australia, a livestock export ban [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:

Our farmers have loss the personal relationships and personal contracts and banks have no understanding because they are not at the community level.

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

Answer:

Build personal relationships with bankers who understood what farmers are doing and has some authority to make a decision.

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:

Small businesspeople need face to face to build trust and a relationship. We rely on those people to work for us and with us.

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

Answer:

We lose the personal contact with people who understand the district conditions.

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

Answer:

We lose the personal contact. Takes time out of business hours to travel to banks out of town. Every visit there is a new bank teller and they're inexperienced and have no ability to make a decision, taking weeks and months to make decisions.

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

Answer:

Destroying towns because they are taking the bank managers from the town, and it is destroying the rural community.

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:

Run education, to teach computer skills and assist in internet 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:

Signing loan contracts with supervision. Face to face contact and relationships.

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:

They must have a key bank, whereas in these rural areas there are no banks. Need better access to banking.

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

Answer:

When doing business loans and strategic plans, trained people need to be accessible to business where they can build trust.

Question 11: *What are the lessons from Australian and international experiences that can help improve banking services and accessibility in regional communities where bank branches have been closed?*

Answer:

I believe when dealing with the bank we were dealing with inexperienced people who are chasing a promotion, who would turn on us leaving us to fend for ourselves. Banks should have better structures in place to protect their clients, we need a workout provision so when the seasons turn, we are prepared and can take advantage of it. Charged a substantial fund that makes a difference to the bank.

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,

Mike Wake

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