



## **BEVERLEY POST NEWS AND GIFTS**

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### **Bank Closures in Regional Australia**

Thank you for the opportunity to make a submission to the Inquiry into “Bank Closures in Regional Australia”, and base our submission on the ANZ Bank that closed on 29<sup>th</sup> September 2021, which was the last shop front bank in the Shire of Beverley WA 6304.

#### **A. Bank Closure Process and Reason Given (in Beverley WA)**

- A.1 ANZ Bank reduced their opening hours to 9.30am until 12.30pm (previously 9.30am to 4.00pm, with a 1 hour closure for lunch) 6 months prior to closing the doors.
- A.3 No community consultation was provided by the ANZ bank.
- A.4 Notification by the ANZ on the closure of the branch was by:
  - A.4.1 a “Public Notice” was posted on the door of the ANZ Bank advising of the closure
  - A.4.2 a letter advising that the bank would be closing was sent to ANZ account holders
  - A.4.3 a small select number of account holders were contacted by phone regarding the bank closure
- A.5 Only lobbying from the Shire and Community ensured a teller machine was left in town.
- A.6 ANZ stated in the media that transactions had declined 50 per cent in the past four years as people moved to online banking (no doubt they used the decline in accessible hours (see A.1) to the bank to back up this statement).

#### **B. Economic and Welfare Impacts of Bank Closures**

and

#### **C. Effect of Bank Closures or the Removal of Face-To-Face Cash Services and Access to Cash**

##### **B/C.1 ATM**

- B/C.1.1 The teller machine often runs out of cash and /or is out of order for days at a time.
- B/C.1.2 The ATM swallows customer’s cards and immediately cancels the card. This can be due to no cash in teller machine, faulty ATM and customers taking too long to retrieve their card from the machine (e.g. whilst they are securing their money – customers are then often left with no other access to cash).
- B/C.1.3 ATMs will retract money if left too long in the machine (e.g. whilst securing card)

- Although the money is redeposited back into the account, the account holder cannot access this money again from the daily withdrawal limit as it is seen by the bank as having already been withdrawn (if the full daily limit was initially withdrawn, the customer is unable to use their card for cash withdrawal again that day e.g. Limit \$1000, withdrawn \$600, Daily Limit Remaining \$400. If retracted: Limit \$1000, withdrawn \$600, Deposited \$600, Daily Limit Remaining \$400).

B/C.1.4 A minimum withdrawal amount of \$20

B/C.1.5 Some people through personal choice do not want to use an ATM.

## B/C.2 Banks

B/C.2.1 Reissuing of a new card can take up to 4 weeks (including postage time frame), leaving recipients without any access to their money.

B/C.2.3 Attendance at some banks is required to be identified, to collect a new card and set a new Pin Number

## B/C.3 Individuals

B/C.3.1 Some members of the community do not feel physically safe, or confident using the teller machine.

B/C.3.2 Many people still want cash in their pocket, contrary to what is being advocated, due to ATM outages, power outages, internet outages and personal choice.

B/C.3.3 With very limited Public Transport in our area (1 bus North and 1 bus South per day), those that don't have their own transport or licenses (requiring an overnight stay) have difficulty in accessing the nearest face to face "Big 4" banking outlet located a minimum of 140kms for a return trip (some people have chosen to hitch hike).

B/C.3.4 Fees and transaction charges of the smaller Financial Institutions renders them prohibitive.

B/C.3.5 The condition of our roads adds to the safety issue of travelling, especially with the number of road trains now being used.

B/C.3.6 Additional cost of fuel and wear and tear on vehicles.

B/C.3.7 Time taken out of an already busy day (especially for those that have children to collect from school or off of school buses or trying to run a business).

B/C.3.8 Some of the community hold concerns that their purchases are being tracked.

B/C.3.9 Most employees are paid directly into their bank account and now have limited access to their pay (ATM outages, power outages and internet outages).

B/C.3.10 Those on limited income and living from pay to pay, cannot access small sums of money left in their account (minimum withdrawal amount \$20)

B/C.3.11 Being dictated to by Banks as to how and where account holders can access their money is not tolerable to many members of the community.

B/C.3.12 The banks are saving money but charge bank account holders for using another Bank Or Banking Facility (even if their own bank is now inaccessible).

B/C.3.13 Additional fuel and time costs along with security risks to persons having to travel 140km round trip to access major banks.

B/C.3.14 Trust in banks by the community has declined. They feel that their ability to manage their own funds is being determined by the banks who don't care about the individual, only about getting their money into the bank and keeping it there.

#### B/C.4 Community Groups, Charitable Organisations and Fundraising Campaigns

B/C.4.1. Difficulty in accessing small bank notes or coins to run stalls or raffles and then the ability to be able to deposit large amounts of coins.

B/C.4.3 The need to travel out of town to a store front Financial Institution to change bank account signatories (after each AGM as well as if an Office Bearers resigns). Some banks require all signatories to be present at the same time.

B/C.4.4 Additional obstacles faced by volunteers (receive no payment or reimbursement for travel or time) see access to banks as an added justification not to step up for committee position of charitable causes.

#### B/C.5 Internet Banking

B/C.5.1 Accessibility to the internet can be hindered by having poor or no reception in their area, power outages, internet outages and upgrades, time consuming requirements of second level security (additional app/s), feeling safe in its use (scams), the ability to use a computer and personal choice not to use the internet.

B/C.5.2 The outlay for a computer system, internet monthly charges (and their download limit) can be beyond some community members means.

#### B/C.6 Other Banking Entities

B/C.6.1 Other outlets that can provide cash, cannot foresee the ATM being out of service and therefor run short of funds for cash withdrawal and need to limit the amounts of drawings so that there is availability for everyone. No one is satisfied.

B/C.6.2 Over the counter banking limits through the Post Office's Bank@Post, restrict withdrawal and deposit amounts of cash and is not available for all Financial Institutions.

#### B/C.7 Business

B/C.7.1 Safety of staff, owners and facility due to excess cash being held on premises.

B/C.7.2 Additional insurance is required to hold more money on a business premises.

B/C.7.3 Safety transporting cash to a banking store front because of the road conditions and hold ups.

B/C.7.4 People travelling to conduct banking will also perform any other transactions at that location for convenience (Pharmacy, grocery, butchers, newsagency etc.). This will see the decline in small towns and locations.

B/C.7.5 Additional costs, including fuel, vehicle wear and tear and insurance on vehicles for business use and staff use of the vehicle.

B/C.7.6 Time out of conducting their business or paying staff to travel to financial Institutions

- B/C.7.7 Employees and their families of the banks that have closed, move from the area.
- B/C.7.8 Reduction in trade (from people travelling and leaving town) has a flow on effect to all industries (including Schools, Hospitals, Retail and Industrial business').
- B/C7.9 Difficulty in accessing small bank notes or coins creates difficulty in the day to day running of a business.

D. **The Effectiveness of Government Banking Statistics**

No comment

E. **Consideration of Solutions and Other Related Matters**

- E.1 A full Government Postal Bank, similar to what the Commonwealth Bank was.
  - Including additional services (Identification for new accounts, change of signatories, closing accounts, acceptance and supply of coin etc.)
- or
- E.2 Legislation to allow ALL bank customers to have full access to a Bank@Post.
  - E.2.1 A Legislated Fee on all Financial Institutions to fund transactions at postal outlets that is not passed onto customers and remunerates the Post Office for all transactions conducted (taking into account time taken, overheads, wages, security, transportation of money etc.).

A number of factors will need to be taken into account:

- E.2.1 Safety of those working in postal outlets and that of their customers.
- E.2.2 Regular secure transportation of money to and from the postal outlets.
- E.2.3 Funding for security in postal outlets (upgrades to current security, duress alarms, monitored security etc.).

On the 18.03.23, Beverley had a 12-hour power outage. When this occurs there is no access to anything that requires electricity: ATM; cash at other outlets; recharges; refrigerated lines of food (sometimes for safety the grocery shop has to close completely), pharmaceuticals, etc.. This situation happens in Rural and Remote areas a number of times a year and is out for longer periods of time than those in the city experience. For this reason, the idea of a cashless society is not possible.

In conclusion, Banks have decreased their costs (by closing banks and reducing staff numbers), but have passed on those costs, as they do with many others, to the individual account holder as well as business', whilst not considering their safety or ability, and dictating how, when and where they can access their own money or conduct their business.

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