



# The Country Women's Association of Victoria Inc.

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Patron – Her Excellency the Honourable Linda Dessau AC, Governor of Victoria

Committee Secretary

Senate Standing Committees on Rural and Regional Affairs and Transport

PO Box 6100

Parliament House

Canberra ACT 2600

[Via Email: [rrat.sen@aph.gov.au](mailto:rrat.sen@aph.gov.au)]

31 March 2023

Dear Senators,

**RE: Inquiry and Report into Bank closures in regional Australia**

The Country Women's Association of Victoria Inc welcomes the opportunity to submit a response to the Senate Standing Committees on Rural and Regional Affairs and Transport's Inquiry into Bank closures in regional Australia on behalf of our members and the communities we support.

**About The Country Women's Association of Victoria Inc.**

The Country Women's Association of Victoria was formed on 12 March 1928 and today has approximately 4,000 members. Each member belongs to one of 250 branches across Victoria, that maintains its own program of activities and is empowered to meet community needs as well as supporting state-wide initiatives.

The Country Women's Association of Victoria Inc is a Registered Charitable, Not-for-Profit Organisation. Our principal purpose as written in our Constitution is to provide direct benevolent assistance to disadvantaged and vulnerable women, children and families in need throughout metropolitan, regional, rural and remote settings in Victoria through:

- volunteer community service.

- the establishment and management of community support networks; and
- the provision of financial aid or emergency funding.

We encourage members to support each other, make a difference in their communities and advocate on community issues, sustainable development and the protection of the environment, and social issues.

Our values are Care /Empower/Contribute.

The Country Women's Association of Victoria is also part of a global network of women via the Associated Country Women of the World (ACWW), which has non-government organisation status with several United Nations agencies.

### **Inquiry Terms of Reference**

*The current extent of bank closures in regional Australia, with reference to:*

- a. the branch closure process, including the reasons given for closures;*
- b. the economic and welfare impacts of bank closures on customers and regional communities;*
- c. the effect of bank closures or the removal of face-to-face cash services on access to cash;*
- d. the effectiveness of government banking statistics capturing and reporting regional service levels, including the Australian Prudential Regulation Authority's authorised deposit-taking institutions points of presence data;*
- e. consideration of solutions; and any other related matters.*

### **Submission**

The Country Women's Association of Victoria Inc. has for close to a century been an advocate for, in particular, the needs and priorities of women, children and families in rural and regional Victoria – with an increasing footprint across metropolitan Melbourne over the past few decades.

Our network across approximately 250 branches spread across Victoria makes us uniquely positioned to voice the concerns of rural and regional Victorians and we have frequently been called upon by all levels of government to support and advocate on behalf of these communities.

Each year, the Association chooses a theme for the forthcoming year as the focus of our social issues advocacy work and, this year, the theme of "Improving Access to

Everyday Services” was selected reflecting the impact which members are seeing in their communities from the closure, in particular, of bank branches and other services. A number of policy motions including relating to bank closures have been submitted for debate at our State Conference which will be held on 16- 17 June 2023 at the Melbourne Royal Showgrounds.

In dialogue with our State Council, committees and members, our Association is of the view that access to banking services – including at a face to face level – remains a critical priority to underpin the health and vibrancy of rural and regional communities representing close to 25% of Victoria’s population<sup>1</sup> at the present time, and to support our agricultural sector with a gross value in Victoria of \$17.5 billion in 2020-2021<sup>2</sup>.

The Association notes that the closure of local banking services (whether in rural or regional towns or in metropolitan areas) most significantly impacts older Australians, migrant communities, Indigenous people and people with disabilities – being constituencies who face greater barriers in accessing online banking services.

To address the Inquiry’s key terms of reference, we note the following:

*(a) The current extent of bank closures in regional Australia, with reference to the branch closure process, including the reasons given for closures.*

Based on a review of available data, it is understood that more than 300 regional bank branches have closed in the last financial year and that a further 80 branches have closed since September 2022. In this regard, we note that further regional branch closures have been announced over the past few weeks.

Adding to the lack of banking services, the number of available Automatic Teller Machines (“ATMs”) has nearly halved in the past two years. Australia Post – being an organisation which is going through fundamental change in the way in which they also deliver services - has been forced to offer cash deposit and withdrawals to communities which are left with no other options.

Our members have reported instances of bank closures in rural and regional communities occurring without any consultation with local residents – while noting that the announcement by the banks will cite extensive consultation having taken place. Frequently, the first that communities hear of the closures is when the bank just closes. Impact assessment would often appear to be done from a desk in a capital city with little to no communication with the communities concerned.

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<sup>1</sup> 23% based on available ABS data form 2018.

<sup>2</sup> Department of Energy, Environment and Climate Action, 2023 Data

Some members have experienced banks notifying of “branch renovations” only to use this as an opportunity to significantly reduce staffing levels in regional banks.

Members have also noted the removal of banking services in larger towns – while smaller towns some 40 – 60 kilometres away have retained their branches. In the view of members, this defies logic and leaves larger populations without access to face-to-face banking services if no public transport options are available.

To cite just one specific case study, our members have reported the closure of the local Commonwealth Bank branch in Casterton – a town close to the South Australian border in the Western district of Victoria with a population of 1,673 - 32.8% of whom are over the age of 65 years. As a popular tourism destination and also as a town which supports a network of smaller surrounding hamlets – Casterton has been left with only two ATM's and some limited banking services are offered via the Post Office. The nearest bank branch is now 65 kilometres away in Hamilton – with limited public transport (buses) for those without access to a car – including younger people, one car households where the car is needed for work, older citizens and people with disabilities.

(b) the economic and welfare impacts of bank closures on customers and regional communities.

Whilst acknowledging the reduction of foot traffic in bank branches caused by the extensive take up of electronic banking services, the Association is of the view that many Victorians – including older citizens, migrant communities, Indigenous people and people with disabilities – are disadvantaged by the lack of face-to-face banking services being located in their local community. Rural and regional communities are impacted more significantly due to the larger distances to travel (frequently on roads which are dangerous and in a poor state of repair) to another town where a bank is located and the lack of public transport options in regional areas.

We note in particular the move away from face-to-face banking increases the risk of elder abuse with older Australians not uncommonly needing to provide access to their bank account details and pin numbers in order to gain assistance from relatives and/or neighbours and friends when needing to complete electronic transactions. Those experiencing family and domestic violence are similarly disadvantaged by having no face-to-face banking services in the local community – as local tellers are trained to deal appropriately with customers suspected of being at risk - whereas this human factor is removed with online services.

Whilst not the primary impact of bank branch closures, our members note that the closure of local bank branches has increased loneliness and isolation factors for, in particular, the elderly who viewed their interaction with the local bank manager and tellers as part of their support network in the local community. Likewise, the local bank manager was often an important resource to community members – acting as

an advocate for the local needs most especially in times of natural disasters (fires, floods, droughts etc). This link to the community is now gone.

While bank profits will be increased by reducing branch and staff numbers in regional communities, the impact on local businesses is significant. In this regard, we note the challenges faced by local traders in terms of not being able to bank cash takings with the removal of local deposit facilities when bank branches close and ATM's are removed. Armaguard services are an expensive alternative in towns left without bank branches and ATM's.

Bank closures put undue stress on local businesses - some of whom have to close for periods during the week to travel to other towns to access banking services. This obviously leads to loss of business and income for those businesses. We also note as part of this the need for our primary producers to take costly days away from their farms - while travelling to attend to banking and financial related matters.

As noted above, while only one quarter of Victoria's population lives in rural and regional areas - the economic value of Victoria's agricultural sector continues to underpin the prosperity, security and wellbeing of our nation - as was seen clearly during the recent COVID-19 pandemic. That our primary producers should be supported with reasonable access to banking services - including through the local presence of client relationship managers - is a clear and continuing imperative.

c. the effect of bank closures or the removal of face-to-face cash services on access to cash.

As noted above, local bank closures and the removal of ATM's is becoming a reality for many living in rural and regional communities - leaving many without access to cash within their local community.

The ATMs of all banks are serviced by private companies. Banks frequently accept no responsibility for their ATM's when they run out of money which can be a regular occurrence at busy times of the year or break down leaving locals and businesses without access to cash, sometimes for extended periods of time.

While for many younger people and professional people, a cashless society is becoming the norm - this is not the experience of older citizens - many of whom do not possess the technology to access electronic banking. From amongst our own membership, we are aware of older members who do not possess mobile phones or computers - and who have no other option but to use cash. Accessing that cash is increasingly challenging.

d. the effectiveness of government banking statistics capturing and reporting regional service levels, including the Australian Prudential Regulation Authority's authorised deposit-taking institutions points of presence data.

The Association is unable to make comment on the effectiveness of government banking statistics but notes that our Association is frequently called upon by various levels of Government to provide advocacy on behalf of rural and regional communities due to the networks our Association has across these regions due to our local branch structure.

*e. consideration of solutions; and any other related matters.*

As an Association, we are certainly cognisant of the need for banks to make decisions in the best interests of their shareholders and to act in a way which secures their long-term viability in increasingly uncertain markets and times.

Likewise many, not all, customers have the ability to move their banking to institutions which best meet their needs and priorities. In this regard, we note the significant shift of banking towards community-based banks – to only bank with banks who invest back into the fabric of the towns and communities in which we live.

The Association is supportive of the Federal Government creating policy settings to increase the ability of community-based banks to fill the space vacated by other banks. This may include reducing excessive regulation and other barriers to community-based and smaller banks setting up and establishing branches.

The need for Australia Post to continue to provide and even to extend banking services in communities left without access to a local branch is essential. In addition to this extension of post office banking services, all additional fees related to banking at an Australia Post should be removed.

Equally government has a role to play in working with the major banks to ensure some level of commitment to retaining branches in rural and regional areas. For example, tenders for retaining government banking services – at all levels of government – could be tied to undertakings to retain branches in particular locations for a specified period.

## **Summary**

Members have raised the concerns arising from bank closures – both in regional but also metropolitan areas – and the detrimental impact this is having on Victorians – most especially noting those living outside metropolitan areas and larger regional cities, and disproportionately impacting upon older citizens, migrants, Indigenous people and those persons with a disability who are most likely to be unable to access internet banking services.

While understanding the financial imperative which is the primary driver of all commercial enterprises, the Association is strongly supportive of the need to retain face-to-face banking services within reasonable proximity for all Victorians.

The Association would welcome the opportunity to further detail our submission to the Inquiry or to answer any questions which Committee Members may have in relation to our submission.

The Association grants permission to the Senate Committee and/or Federal Government to cite or publish this submission either partially or in its entirety for the purposes of the Inquiry and resulting Report.

Our Executive Director, Ms Lynne Jordan, can be contacted on telephone (03) 9824 0239 or email: [execdirector@cwaofvic.org.au](mailto:execdirector@cwaofvic.org.au) to arrange for our Senior Office Bearers to speak with the Committee at any time.

Yours sincerely

A handwritten signature in black ink that reads "Pam Mawson". The signature is written in a cursive style with a large, stylized 'P' and 'M'.

Pam Mawson  
**State President**  
**The Country Women's Association of Victoria Inc.**