Regional Bank Taskforce – Issues Paper

Submission to the Treasury

Wednesday, 15 December 2021

Introduction

Banana Shire Council is supportive of alternative models of banking services should further bank branch closures in the region, situated in Central Queensland.

First step, understand the region

Banana Shire is situated in Central Queensland, 120 km west of Gladstone and 571.6 km drive from Brisbane. The Banana Shire has a population of approx. 14,291 people spread over 28,577 square kilometres. The Banana Shire consists of 12 towns including; Banana, Biloela, Moura, Theodore, Cracow, Dululu, Baralaba, Jambin, Goovigen, Thangool Wowan & Taroom.

The region is made up of diverse rural townships and smaller settlements, local businesses and major resources industries. Coal mining, beef production, power generation, dryland cropping and irrigation cropping such as lucerne and cotton are the Shire's major industries. A variety of soil types suitable for the production of a wide range of crops, together with some of the best grazing, farming and irrigation land in the State, give the Shire enormous agricultural potential, with further potential for processing and value-adding.

The region is renowned for its intensive livestock production and Biloela meatworks that is the third largest in Queensland and processes meat for export throughout Australasia. The Callide power stations produces about 20% of Queensland's electricity.

Essential services are offered in the region, including numerous childcare facilities, eleven public primary schools, three private primary schools, two high schools, 3 prep to year 10, one TAFE, five public hospitals and sports grounds.

Banana Shire has a range of natural and human-made attractions. The natural assets include Kroombit Tops National Park, Expedition National Park, Lake Murphy Regional Park, Nathan Gorge and Isla Gorge National Park; historical villages and trails; established recreational dams and tourist accommodation facilities capturing significant drive tourism numbers. In addition, the Banana Shire hosts a range of events throughout the year including freshwater fishing classics, markets and festivals celebrating individual community histories and cultures.

Second step, confirm if a region has reliable digital telecommunications infrastructure

The region is hampered by unreliability of internet and mobile services with slow speeds, inadequate network capacity, dropouts, black spots and lack of geographical coverage. It is essential that regional Queensland has reliable mobile coverage and accessible telecommunications infrastructure before banking institutions further transition rural customers from bricks-and-mortar branches to digital banking services. It needs to be mentioned that areas where there are acceptable service levels from satellite internet can be negatively impacted during cyclones and storms – leaving regional areas vulnerable if there is no local service provider to process and dispense cash withdrawals.

Reported Issues

The Chamber of Commerce and a regional representative from the Chamber of Commerce Queensland consulted with regional businesses and residents; and provided Council with the feedback below:

- *"Difficulty experienced sourcing change for cash customers."*
- *"It's a long-distance return trip to do my business banking for my retail store. I need to plan ahead and pay a staff member to look after the shop so I can visit a branch to deposit and most importantly source petty cash."*
- *"Banks in our servicing town now close at 1pm during the day. Difficult for hands-on local business operators in neighbouring towns to make it within decreased open hours".*
- *"Unreliable internet connectivity has impacted our business's ability to process payments."*
- *"There are agribusiness owners only 10 minutes out of townships with zero phone or internet access."*
- *"Some farms still use fax due to poor telecommunications coverage in area. The region is not in a position to smoothly transition from branches to digital services."*
- *"Cashless society means people must have access to a digital device to do their banking. Not everyone has a smartphone or access to a computer. And, not everyone can afford a device or the monthly payments. Going cashless means people are forced to buy a digital device to access their money."*

Suggestions

- *"Banks to set up a Regional Banking Hotline for transition."*
- *"Regular visits to region by bank staff to offer advice and support, obtain documents to set up new accounts, arrange loans, establish digital skills for digital banking…"*

Third step, plan for best- & worst-case sceneries (natural disasters)

Banana Shire lies within the extensive Dawson River Catchment with a number of populated towns located on the Dawson River, Dee River and tributaries. During widespread rainfall and severe storms this region experiences significant flooding as witnessed during December 2010/January 2011 flood, 2013 ex-Tropical Cyclone Oswald and in 2015 by Tropical Cyclone Marcia.

By 27 January 2013, many areas of the Banana Shire were isolated by flood water from a number of waterways, including Jambin, Goovigen, Thangool and Biloela. Emergency advice to the community is to source physical cash and store in a waterproof container, along with important documentation such as bank account numbers, social security numbers, birth certificates and insurance papers – this is to ensure they can meet their most basic needs such as food, shelter and other necessities. A grab and go emergency kit stocked with physical cash is critical for natural disaster victims to overcome issue of Banks and ATMs not being open or be available for extended periods.

Regional banking recommendations by the Banana Shire Council

<u>Alternative option 1# - Library facilities</u>

Libraries are a logical alternative for bank customers to visit and access free internet, computers and printers in order to carry out individual banking needs.

Types of individual banking activities that can be accommodated at a library:

- Online banking
- Mobile check deposit
- Online bill pay (Bpay)
- eStatements
- Print statements

*For print statements: Banks may want to consider installing soundproof meeting pods in local libraries, for customers to carry out digital banking & or attend private online bank appointments. The soundproof meeting pods to offer <u>reliable connectivity</u>, power, computer and printer. Example: www.inapod.com.au

Secondly, libraries may be a suitable facility for customers, to book a private one-on-one meeting, with a visiting 'regional bank relations professional'. Types of services where a private meeting may be required:

- Personal loans
- Home loans
- Business loans
- Merchant services (credit card processing, reconciliation and reporting, check collection)
- Treasury services (payroll services, deposit services, etc.)
- Customer complaint resolution (for escalated complaints)
- Vulnerable groups such as seniors, vision impaired, disabled and people that have not developed digital skills due to being digitally marginalised through poor speeds and unreliable connections in region.

In addition, banks may consider delivering information sessions to raise awareness of digital banking services and raise societies awareness of digital safety to guard the community from falling victim to banking scams (via phone call, text or internet).

Lasty, banks may want to consider installing ATMs in close proximity to a regional libraries, to strategically turn a section of a regional precinct into a financial services destination.

<u>Alternative option 2# - Bank@Post</u>

- Deposit cash or cheques
- Withdrawal of cash for individual needs or business needs i.e.: a trader's petty cash.
- Check your account balance

Access to physical cash is a necessary form of currency in regional areas that are prone to natural disasters such as cyclones and flash flooding that can leave an area isolated and as such, unable to access digital banking services for a prolonged period. In addition, cash as a form of currency is required at regional events and festivals as regional areas are disadvantaged by poor and unreliable mobile coverage. It is strongly encouraged by our local Council that banking institutions financially contribute to essential telecommunications infrastructure, such as upgrade existing satellite towers, install additional satellite towers and or contribute to a regional areas cable internet infrastructure, to ensure regional Queensland customers can easily access digital banking services.

To serve the whole of society, Council strongly recommends Banks commit to both Options 1 & 2, in a regional area to ensure banking services are accessible, inclusive and provided to regional customers in a fair and ethical manner.

Regards,

Tom Upton

CHIEF EXECUTIVE OFFICER