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Secretariat
Regional Banking Taskforce
Financial System Division
The Treasury
Langton Crescent
PARKES ACT 2600

Via email: Regionalbanking@treasury.gov.au

Regional Banking Taskforce Secretariat:

Impact of bank branch closures on regional communities

Thank you for the opportunity to provide feedback on the impacts of regional branch closures.

The NSW Small Business Commission (the Commission) is an independent statutory office of the NSW Government. It provides strategic advice, advocacy and affordable dispute resolution services to small businesses across NSW.

The Commission's role includes:

- encouraging government agencies and larger businesses to enter productive working relationships with small businesses
- facilitating and encouraging the fair treatment of small businesses
- promoting a fair operating environment in which small businesses can flourish.

As part of the Taskforce's consultation, the Commission would welcome a specific focus on the needs of regional small businesses given the importance of banking services to business operations and their different service needs (relative to other bank customers).

Diminished availability of banking services has the potential to impede economic development in regional communities if local businesses cannot access the services they need. Examples of issues raised with the Commission include the availability and ability of regional lending specialists to approve and support businesses applying for business loans.

The Commission's December 2021 Small Business Survey involving more than 2,000 small business participants, suggests regional small businesses are more likely to report difficulties accessing banking services. While businesses located in both regional NSW and Greater Sydney reported negative impacts associated with the closure of bank branches (39 and 37 per cent respectively), the impacts are more severely felt by small businesses operating in regional communities.

Around 9 per cent of regional businesses reported bank branch closures were having a major impact on their business. This compares with 5 per cent for their counterparts located in Greater Sydney (see **Appendix A**).



The Commission's survey also sought feedback on a range of potential tools that may help overcome service access issues (see **Appendix B**). The most popular suggestions were additional services at the ATM (34 per cent), simplification of online/mobile banking tools (33 per cent), more options for banking at the post office (32 per cent), better internet connectivity (29 per cent) and better phone banking support (24 per cent).

The perceived need for each of these tools varied considerably between regional and Greater Sydney businesses. For example, regional businesses were more likely to request more options at the post office and better internet connectivity while Greater Sydney businesses were more likely to support simplification of internet banking tools and more functions at ATMs.

Thank you again for the opportunity to make a submission. If you require further information or would like to further discuss issues related to small businesses, please contact Megan Bennett at either

Yours sincerely

Chris Lamont Commissioner

NSW Small Business Commission

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16 December 2021



Appendix A: Survey question – To what extent, if any, has/did the closure of any physical bank branches near you affected/affect your business?

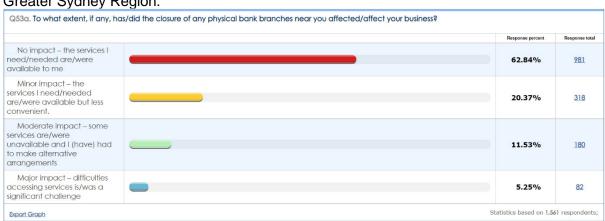
Total Responses:



Regional NSW:



Greater Sydney Region:





Appendix B: Survey question – Which, if any, of the following tools would (have) most reduce/reduced the impact of your local branch closing?

Total Responses:



Regional NSW:



Greater Sydney Region:

