



18 December 2021

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

By email: [regionalbanking@treasury.gov.au](mailto:regionalbanking@treasury.gov.au)

Dear Taskforce members,

**Re: Submission to Regional Banking Taskforce**

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The Korumburra Round Table and Korumburra Business Association Inc. make this submission on behalf of the community of Korumburra, a regional town in South Gippsland, Victoria.

**Korumburra Round Table & Korumburra Business Association Inc.**

The Korumburra Round Table is a representative committee working in partnership with South Gippsland Shire Council and the Korumburra Community. We consist of up to 17 community members mostly representing community groups whose primary focus is Korumburra. Our three ward Councillors and a council officer also attend our meetings. We are a conduit for information between Council and the Korumburra community. We also strongly advocate for our community, including the development of projects and infrastructure that benefit our town.

The Korumburra Business Association Inc. represents over 100 members of the business community of Korumburra and district. Its purposes include improving the prospects of the business community; developing an environment of co-operation, goodwill and collaboration amongst local businesses; and advocating with all levels of government and business organisations.

The Korumburra Round Table and Korumburra Business Association formed a taskforce in April 2021 after learning that Bendigo and Adelaide Bank Limited ("Bendigo Bank") had made the decision to close our town's last remaining bank, which would have had a significant and devastating impact on our community.

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**Korumburra Business Association Inc.**

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## **Korumburra – a growing, thriving community**

Korumburra is situated in the rolling green hills of South Gippsland, rich dairying country, and is one and half hours drive from the Melbourne CBD. Korumburra is a thriving town, with a growing economy, population growth, new subdivisions, increasing tourism, numerous new businesses opening in the last three years and significant recent infrastructure investment from South Gippsland Shire Council and state government (including for construction of the Korumburra Community Hub, restoration of our historic railway station, construction of the Nyora to Leongatha section of the Great Southern Rail Trail and a major infrastructure redevelopment at Korumburra Secondary College). We have a current estimated population of over 4,800, which swells to more than 9,000 if our surrounding rural communities, which use Korumburra as their service town, are included. The population has increased, like much of regional Victoria, during the COVID-19 pandemic. We have several large businesses, including Burra Foods, a dairy ingredient producer which employs nearly 200 people and exports to 11 countries. We are neither a small town nor a dying town, and have the wealth and population to support at least one bank.

## **History of bank closures in Korumburra**

Bendigo Bank announced on 8 April 2021 that it intended to close Korumburra's last remaining bank on 14 May 2021. The announcement was unexpected, had not been preceded by any community consultation and provided the community with just five weeks' notice. The announcement followed the closure of our Commonwealth Bank branch in December 2020, the National Australia Bank branch in February 2017 and our ANZ Bank branch in September 2014. None of those three banks had engaged in any community consultation and the Korumburra Business Association's letters to senior management of National Australia Bank and Commonwealth Bank of Australia asking them to reconsider their decisions fell on deaf ears.

## **Community action**

Our community was united in its anger at the proposed Bendigo Bank branch closure. A public meeting held on 12 April 2021 drew 250-300 people and over 1,550 people signed a change.org petition and a further 1,040 signed a paper petition. The Korumburra Round Table and Korumburra Business Association taskforce met with senior management of Bendigo Bank on several occasions between April and June 2021 and ran a strong campaign to save the Korumburra branch of Bendigo Bank. To their credit, Bendigo Bank management engaged with our community and listened to our concerns. Ultimately, Bendigo Bank made a decision to keep the Korumburra branch open, with reduced staff and reduced hours of operation of 10am to 2pm Monday to Friday. Prior to the decision to close the branch, it had been operating 9.30am to 5pm Monday to Friday and provided a full range of services. Bendigo Bank has not provided a guarantee that the branch will remain open and it therefore remains a real possibility that Korumburra will be left without banking services in the near future, even as the town grows and prospers.

## Consequences of bank closures for Korumburra

The consequences for our town if our last remaining bank is closed are numerous and wide-reaching, particularly for our numerous businesses, community groups and sporting clubs, and for our most vulnerable members, including elderly and disabled people. While we acknowledge the societal shift towards online banking and cashless transactions, there is still an obvious need for physical banking services in our town. While bank@post, online banking and ATMs can fill some of the gaps left by the disappearance of a bank, there are some services, particularly those required by our local businesses, that can only be provided at a branch. Many of our local businesses are still cash orientated due to the nature of their businesses. Many of these businesses need to visit the bank every day to obtain change and bank their takings. The closest town with bank branches is Leongatha, which is a 15-minute drive away. A round-trip would take at least 40 minutes. Because of the way many businesses operate, it is simply not possible for them to conduct all of their banking online or through the Korumburra LPO. A daily drive to another town is not viable for most busy business owners and would come at enormous cost.

In addition, our post office is small and already at capacity and should not be viewed as a replacement for a physical bank presence.

Significantly, our town is home to many elderly and vulnerable residents, many of whom do not drive and who do not have the ability to use internet banking. Our local government area is poorly serviced by public transport and it is therefore almost impossible for those people to travel to another town to do their banking. The closure of bank branches has a significant impact on the most vulnerable members of our community.

In summary, the consequences of closure of Korumburra's last remaining bank would include the following:

- Directs business/shopping away from Korumburra
- Discourages new businesses opening in Korumburra
- Undermines business confidence
- Especially disadvantages the most vulnerable members of our community, including elderly and disabled residents, and places a significant impost on community groups and businesses
- Increases cost of banking for all residents, businesses, and community groups (these costs include the bank@post fees charged by the banks (for example, Bendigo Bank charges a \$4 fee for each deposit or withdrawal) the cost of petrol and bus fares, and increased staffing costs for businesses)
- Bank branches and their staff have always been an integral part of our community and provide an essential service
- The Korumburra community has its own unique character and prefers to support and shop within its own town
- Undermines our shop local campaign

## **Conclusion**

In our submission, banks provide an essential service to regional communities. Of particular concern to our taskforce is the lack of consultation or community engagement that has preceded closure announcements in our town, the banks' focus on profits in their decision making, and their failure to consider the devastating economic and societal implications of bank closures on regional communities.

We thank you for your time in considering our submission and invite you to contact us if you require any further information.

Yours faithfully

**Pee-wee Lewis**

Chairperson, Korumburra Round Table

**Noelene Cosson**

President, Korumburra Business Association

Member, Korumburra Round Table

**Terry Waycott**

Vice-chair, Korumburra Round Table

**Kate McDowell Murphy**

Vice-president, Korumburra Business Association

Member, Korumburra Round Table