

16<sup>th</sup> August 2023

**Subject:** Australian Regional Bank Closure Inquiry – Social Impact

**Contact:** Kendall Galbraith – RRR Network of WA

[ceo@rrrnetwork.com.au](mailto:ceo@rrrnetwork.com.au) | 0410 785 726

### **Opening Statement:**

Good morning, Committee Members,

Thank you for the opportunity to represent the rural regional and remote women of Western Australia on the regional bank closure inquiry. The RRR – Rural Regional Remote - Network is the peak women's body representing RRR women, and by default, the communities in which they live.

Our mission is to actively engage with and advocate for West Australian RRR women, to strengthen their economic and social security, inspire leadership, inform the gender equality policy with government, private sector, civil society, and the media. More simply, our vision is for a diverse, strong, connected, and influential network of West Australian RRR women, who strengthen and enrich the lives of each other through advocacy.

When engaging with women across Western Australia, they talk to us about the issues impacting them and their communities. Women are incredible weavers of social capital, and they are motivated to see their country towns not only survive but thrive.

Today, I am going to address the social impact of the closure of regional banks in Western Australia. To be a voice that defends our continued access and opportunity of services in RRR Western Australia.

The closing of regional banks is a complex issue founded in demand vs value. When we asked our members how often you access your bank branch, most responded with 'rarely' as online banking had filled most gaps demonstrating very little demand.

I think most people acknowledge that there is a declining need to access a branch. There have been significant online and automated developments introduced that we are now accustomed too. For the past decade or more, banks have been slowly moving us online to manage our finances. Even when you would visit the branch, they direct you to the online banking station, so you can do it yourself and learn. Cash deposits have been encouraged via ATM's and credit applications are done online. As a result, we've seen the days and hours of branches reduce and in many cases closure of branches.

But how far should this go? Especially considering when not all financial matters are presently resolved online.

The closure of banks is more than a commercial decision. It was clear from our members that branches represent *a truth and a trust* that has a direct line of impact to our economic independence and mental health and well-being. The need for truth and trust is becoming paramount in today's online and encroaching AI world, and the one place where we need truth and trust the most - is with our finances; this is our livelihoods.

There were two outstanding themes about the closure of banks we identified with our members and that was of social value and digital inclusion.

The social piece of a bank delivers on face-to-face communication and accountability and allows those who are not tech savvy to still manage their finances. Those who seek this type of engagement and trust the most are our elderly. The regions have a rapid aging population. The total number of people aged 70 years and above has increased 23 per cent in the five years to 2018, to almost 50,000.

In saying that, the closure of banks and shift to online is not age discriminate. This becomes a digital inclusion problem. There are many, regardless of age, who do not have a device or a reliable one to access the internet in the first place. Then there are those who lack digital ability – meaning skills, knowledge, and confidence to navigate online banking apps, let alone identify scams! Finally, there is affordability. There are many who cannot afford a device or even the cost of an internet service.

The closing of banks is an issue Australian wide, including our metropolitan areas. I have spoken to women in Perth who are trying to ease the rising cost of living but cannot contact their bank to get a rate reduction on the mortgage. They receive automated emails or are communicating via a chat box that is not resolving their query, or they are redirected offshore to have the conversation. Again, truth and trust are at the heart of it, creating anxiety and concern about what is happening with their finances – and *geography* has no bearing on this problem.

But back to RRR Western Australia. We already are living with less. We make sacrifices and compromises and because of that there is a socio-economic divide between those living in the city and those living in the country. To close more regional banks, will only be another nail in the coffin of reduced services and opportunities, causing further disadvantage, reduced economic independence and greater reliance on travelling to our cities to get the assistance we require, which is costly.

Banks are a critical service, and they must be accessible to all Australians regardless of geography. When you need a bank, it is typically urgent, it has significant ramifications or consequences and typically requires a quick turnaround. Perhaps it is getting the mortgage to a better rate so you can

ease the burden in your house, perhaps it is addressing a scamming incident and recouping lost funds, depositing cash, and or talking to the branch about financial stress and exploring ways to ease this.

If banks are to close because they are deemed no longer relevant – ok, but a solution that addresses digital inclusion and social value, meaning truth and trust, and one that is accessible in regional Australia needs to be presented first.

Thank you.