



Media Release

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Fightback against banks abandoning regional communities taken to Parliament this week

Australian Citizens Party (ACP) representatives Robert Barwick and Glen Isherwood are in Parliament this week asking politicians to establish an urgent, comprehensive inquiry that scrutinises the banks' stated reasons for closing branches, declare a moratorium on further branch closures, and establish a postal bank.

An expanding coalition of Australians is demanding urgent government action to address the crisis in regional banking services.

In just four months, the banks have closed or issued closure notices to 79 branches in regional communities. Many of these are the last bank in town.

The banks claim these are commercial decisions needed to remain profitable, made in response to customers moving away from branches and onto digital banking platforms.

However, a survey commissioned by Digital Finance Analytics (DFA) shows that demand for branch services in regional communities remains high and significantly higher than in large cities, yet the banks are disproportionately closing regional branches.

Also, the Big Four banks are immensely profitable, as banking expert Satyajit Das noted in *The Guardian* on 21 November 2022:

- they shared \$28.5 billion in profits in 2022, projected to rise to more than \$30 billion this year;
- their return on investment was 10.6 per cent, well above the global average;
- They are large relative to the economy at 160 percent of GDP, double the global average.

On top of that, the banks currently are the beneficiaries of \$100 million per week in free money from the Reserve Bank's Term Funding Facility which goes straight to their profits, of which the Big Four take \$70 million.

In November 2022, independent journalist Dale Webster and banking expert Martin North, DFA principal, wrote to the Senate Rural and Regional Affairs and Transport Committee (RARAT) calling for an urgent inquiry into the regional banking crisis and into possible solutions, including the viability of a government bank to operate through post offices.

Around Australia, local councils in towns that are losing their last banks—including **Junee Shire Council in NSW**, currently fighting to stop CBA closing their last bank, and **Coober Pedy Council in SA**, fighting against Westpac closing their only bank—have also written to the RARAT committee supporting the call for an inquiry.

The ACP representatives are supporting these calls, and lobbying for an inquiry to be established this week. They are also discussing the “win-win” solution of a government post office bank.

ACP Research Director Robert Barwick said today:

“By mass-closing branches, the banks are causing disruption, stress, and economic carnage right across regional Australia, yet they are also boasting growing profits from regional Australia.

“They want all the cream without providing the service.

“When they close a branch, they:

- force customers to drive long distance to bank;
- disrupt small businesses which need to access and bank cash;

- force vulnerable customers into uncertain and frankly terrifying digital banking where they know they are the target of scammers; and
- make communities more vulnerable to economic disruptions caused by power and communications failures, as power and communications infrastructure is less reliable in the regions.”

“The government should impose a service obligation on the banks in exchange for the enormous public support they receive.

“And, the government should establish a people’s bank—a government post office bank that will guarantee face-to-face banking services to every community with a post office and force the Big Four banks to truly compete.”

About

The Citizens Party is an independent political party leading the campaign for Australia to return to the banking and economic development policies exemplified by King O'Malley, Ben Chifley, and John Curtin. Reviving the tradition of these great leaders will enable Australia to grow its productive economy and secure the future well-being of all Australians.

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