

Bank Branch Closures

KEY MESSAGE

- Closing a bank branch is a commercial decision and banks need to explain these decisions to their customers.
- The Government is concerned about the impact of bank closures in rural and regional Australia on communities who need access to face-to-face banking services, as well as on small businesses that need to access and deposit cash.
- The Government is currently considering the recommendations within the report by the Senate Rural and Regional Affairs and Transport References Committee regarding Bank closures in regional Australia, *Protecting the future of regional banking*.

KEY FACTS AND FIGURES

- Declines in the number of bank branches have been driven by shifts in consumer demand, including from new technologies.
 - Released on 18 October 2023, the Australian Prudential Regulation Authority's (APRA's) Points of Presence publication showed that the number of branches in regional and remote Australia fell by 34 per cent from June 2017 to June 2023, mainly driven by the major banks.
- Many of the services offered by branches are available in other ways.
 - Telephone, internet, and mobile apps provide banking services in a way that is convenient, fast, secure, and easy-to-use.
 - Consumers and small businesses can make withdrawals, deposits, and balance enquiries at around 3,400 Australia Post offices through Bank@Post.
- The Senate Rural and Regional Affairs and Transport References Committee (the Committee) released its report into bank closures in regional Australia on 24 May 2024.
- The Committee made 8 recommendations:

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Contact Officer	§ 22	Contact Number	§ 22
Division responsible	Financial System Division		
Date of Update	30 September 2024		

Bank Branch Closures

- Recognise access to financial services an essential service and commit to guaranteeing reasonable access to cash and financial services for all Australians.
- Commission an expert panel to investigate the feasibility of a publicly owned bank, including using Australia Post’s branch network.
- Develop a mandatory code of conduct incorporating a robust branch closure processes to be administered by a regulator. Require financial institutions to consult with communities before a branch is closed, report on the potential impacts of closure, identify alternative financial services in the event of closure, and fund transition arrangements and ongoing support services following a closure.
- Authorising the regulator to approve or defer closure requests, direct banks to take certain reasonable actions and apply penalties if a bank fails to comply with an order to defer closure.
- Commission the ACCC to explore the barriers to customers switching banks.
- Establish a Regional Community Banking Branch Program to help underwrite the establishment of ‘community bank’ branches. Local Government would be required to raise their own capital as well. Consider whether to use this fund to enhance financial services available at Australia Post. Hypothecate funds from a supplement to the Major Banks Levy to fund the program.
- Require all major banks to have agreements with Bank@Post and to harmonise the terms of Bank@Post agreements to improve fairness and sustainability. Levy major banks which do not put in place agreements with Bank@Post.
- ACCC consider measures to protect access to personal and business banking in regional, rural and remote locations, including proposing authorisations to circumvent anti-competitive laws such that banks can

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cooperate for the purpose of reducing the impact of branch closures in regional communities.

- As part of the Government's recent approval of ANZ's acquisition of Suncorp Bank, ANZ agreed to conditions which include:
 - No regional bank branch closures for ANZ or Suncorp Bank for 3 years.
 - No net job losses across Australia, including regional Australia for Suncorp Bank and ANZ, as a result of the transaction, for three years.
 - Suncorp Bank to renew its current agreement with Australia Post for the provision of Bank@Post services for a minimum of three years.
 - ANZ to make best endeavours to join Bank@Post on commercial terms for a minimum of three years.

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Bank Branch Closures

BACKGROUND

Points of Presence statistics

- Released on 18 October 2023, APRA's Points of Presence publication showed that the number of branches in regional and remote Australia fell by 34 per cent from June 2017 to June 2023, mainly driven by the Major Banks.
 - The decline in regional and remote branches was lower than the decline in the number of branches in metro areas, which fell by 39 per cent over the same period
 - However, the decline in bank branches across Australia of 11 per cent from June 2022 to June 2023 represents the largest annual percentage decline in the number of bank branches in 6 years
 - Westpac was the largest contributor to bank branch closures, closing 61 regional and remote branches (24 per cent of its network), and a total of 167 branches across Australia (22 per cent of its network) from June 2022 to June 2023. This decline is in part due to the consolidation of branches of brands under the Westpac Group.
- The next annual data release is expected on 16 October 2024.

Bank@Post

- Bank@Post involves around 3,400 Post Offices acting as an agent for banks, providing banking services to customers of over 80 banks and other financial institutions. This includes more than 1,800 Post Offices in rural and remote locations.
 - CBA, NAB and Westpac all offer services through Bank@Post. ANZ and Macquarie do not currently participate in Bank@Post
 - Bank@Post services include depositing cash and cheques, withdrawing cash and checking account balances
 - Separate to Bank@Post, Australia Post also offers other financial services including Post BillPay, currency exchange, insurance and international money transfer with Western Union.

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- On 18 June 2024 Australia Post stated that Bank@Post is on a trajectory of significant financial losses unless bank partners provide additional funding while appearing at the Environment and Communications Legislation Committee.
- The Government is currently considering the recommendations within the report by the Senate Rural and Regional Affairs and Transport References Committee regarding Bank closures in regional Australia, which include recommendations relating to Bank@Post.

Recent changes announced by banks

- ANZ announced it would be closing its Katoomba branch in October 2024, sparking incorrect claims that the bank is violating the conditions of the Suncorp acquisition.
 - Katoomba is not classified a regional area according to the Australian Bureau of Statistics' Australian Statistical Geography Standard.
 - The bank states that it has given a six month notice period in accordance with the Australian Banking Association's Branch Closure Support Protocol.
- In August 2024, Bank of Queensland announced it would be abandoning its franchise network model and would be taking control of 114 franchised outlets from March 2025 at a cost of up to \$125 million.
 - Bank of Queensland announced the changes would provide further opportunities to consolidate branches as customers shift to digital channels.

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Contact Officer	s 22	Contact Number	s 22
Division responsible	Financial System Division		
Date of Update	30 September 2024		



Australian Government
The Treasury



Ref: MC24-013649

s 47F

Dear s 47F

Thank you for your correspondence of 18 August 2024 to the Hon Jim Chalmers MP, Treasurer, concerning ANZ bank closure in Bega. Your correspondence has been referred to the Treasury.

As you may be aware, there have been reports that ANZ have reversed this decision.

On 28 June 2024 the Treasurer announced that ANZ's proposed acquisition of Suncorp Bank was in the national interest and that it should therefore be allowed to proceed. Treasurer was acting upon the advice of Treasury, incorporating views from the Australian Prudential Regulatory Authority, the Australian Securities and Investments Commission, the Australian Competition and Consumer Commission, the Australian Competition Tribunal and the Department of Home Affairs.

As you mention, to ensure the transaction was in the national interest, the Treasurer approved the merger subject to strict conditions. For a period of three years, ANZ and Suncorp will not be allowed to close regional bank branches or reduce overall employment as a result of the transaction. Suncorp Bank must maintain access to banking service through Bank@Post. ANZ must use its best endeavours to join Bank@Post. These conditions are directed at protecting members of the public, particularly regional Australians.

Once again, thank you for taking the time to write.

Yours sincerely

A handwritten signature in black ink, appearing to read 'T Baird'.

Tim Baird
Assistant Secretary
Financial System Division

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 @commonwealthtreasury
 @australian-treasury

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Australia
P: +61 2 6263 2111



Australian Government
The Treasury



Ref: MC24-013671

s 47F

Dear s 47F

Thank you for your correspondence of 18 August 2024 to the Hon Stephen Jones MP, Assistant Treasurer and Minister for Financial Services, concerning the potential closure of the ANZ bank branch in Bega. Your correspondence has been referred to the Treasury.

As you may be aware, there have been reports that ANZ have reversed this decision.

On 28 June 2024 the Treasurer announced that ANZ's proposed acquisition of Suncorp Bank was in the national interest and that it should therefore be allowed to proceed. Treasurer was acting upon the advice of Treasury, incorporating views from the Australian Prudential Regulatory Authority, the Australian Securities and Investments Commission, the Australian Competition and Consumer Commission, the Australian Competition Tribunal and the Department of Home Affairs.

As you mention, to ensure the transaction was in the national interest, the Treasurer approved the merger subject to strict conditions. For a period of three years, ANZ and Suncorp will not be allowed to close regional bank branches or reduce overall employment as a result of the transaction. Suncorp Bank must maintain access to banking service through Bank@Post. ANZ must use its best endeavours to join Bank@Post. These conditions are directed at protecting members of the public, particularly regional Australians.

Once again, thank you for taking the time to write.

Yours sincerely

Tim Baird
Assistant Secretary
Financial System Division

treasury.gov.au

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 @commonwealthtreasury
 @australian-treasury

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Parkes ACT 2600
Australia
P: +61 2 6263 2111



Australian Government
The Treasury



Ref: MC24-014006

s 47F



Dear s 47F

Thank you for your correspondence of 15 August 2024 to the Hon Jim Chalmers MP, Treasurer, concerning ANZ's Bega branch. Your correspondence has been referred to the Treasury.

As you may be aware, there have been reports that ANZ has reversed the decision to close its Bega branch.

On 28 June 2024 the Treasurer announced that ANZ's proposed acquisition of Suncorp Bank was in the national interest and that it should therefore be allowed to proceed. Treasurer was acting upon the advice of Treasury, incorporating views from the Australian Prudential Regulatory Authority, the Australian Securities and Investments Commission, the Australian Competition and Consumer Commission, the Australian Competition Tribunal and the Department of Home Affairs.

As you mention, to ensure the transaction was in the national interest, the Treasurer approved the merger subject to strict conditions. For a period of three years, ANZ and Suncorp will not be allowed to close regional bank branches or reduce overall employment as a result of the transaction. Suncorp Bank must maintain access to banking service through Bank@Post. ANZ must use its best endeavours to join Bank@Post. These conditions are directed at protecting members of the public, particularly regional Australians.

Once again, thank you for taking the time to write.

Yours sincerely

Tim Baird
Assistant Secretary
Financial System Division

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 @commonwealthtreasury
 @australiantreasury

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Parkes ACT 2600
Australia
P: +61 2 6263 2111

s22

From: Jones DLO
Sent: Monday, 19 August 2024 3:57 PM
To: Min Processing
Cc: Jones DLO
Subject: FSD - ANZ Bank Branch in Bega

OFFICIAL

Department response please.

s22

Office of the Hon Stephen Jones MP
Assistant Treasurer and Minister for Financial Services
s22 [E JonesDLO@treasury.gov.au](mailto:JonesDLO@treasury.gov.au)
M1.27, Parliament House, Canberra, ACT 2600

 **LGBTIQ+ Ally**

The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.

OFFICIAL

From: s22
Sent: Monday, August 19, 2024 3:45 PM
To: Jones DLO <JonesDLO@TREASURY.GOV.AU>
Subject: FW: Website Contact

From: Chalmers, Jim (MP) <Jim.Chalmers.MP@aph.gov.au>
Sent: Monday, August 19, 2024 3:41 PM
To: Jones, Stephen (MP) <Stephen.Jones.MP@aph.gov.au>
Subject: FW: Website Contact

Fully out of scope
pages have been
deleted from the
document set

Hi team,

The following correspondence has been reviewed and this office considers that the matter raised falls more appropriately within your portfolio responsibility. Therefore, we're referring it to your office for your attention and consideration.

Kind regards,

Office of the Hon. Jim Chalmers MP | Treasurer and Federal Member for Rankin

From: s 47F **On Behalf Of** s 47F
Sent: Sunday, August 18, 2024 10:12 AM
To: Chalmers, Jim (MP) <Jim.Chalmers.MP@aph.gov.au>
Subject: Website Contact

s22

From: Chalmers, Jim (MP) <Jim.Chalmers.MP@aph.gov.au>
Sent: Monday, 19 August 2024 2:49 PM
To: Min Processing
Subject: FSD - Bank Closures

From: s 47F **On Behalf Of** s 47F
Sent: Sunday, August 18, 2024 8:16 PM
To: Chalmers, Jim (MP) <Jim.Chalmers.MP@aph.gov.au>
Subject: Website Contact

s 47F



s22

From: s 22 @aph.gov.au>
Sent: Friday, 23 August 2024 12:57 PM
To: Min Processing
Cc: Jones DLO
Subject: FSD - Bega Valley who is also a customer of ANZ bank

From: Chalmers, Jim (MP) <Jim.Chalmers.MP@aph.gov.au>
Sent: Wednesday, August 21, 2024 4:34 PM
To: Jones, Stephen (MP) <Stephen.Jones.MP@aph.gov.au>
Subject: FW: Website Contact

Hi Team,

The following correspondence has been reviewed and this office considers that the matter raised falls more appropriately within your portfolio responsibility. Therefore, we're referring it to your office for your attention and consideration.

Kind regards,

Office of the Hon. Jim Chalmers MP | Treasurer and Federal Member for Rankin

From: s 47F On Behalf Of s 47F
Sent: Wednesday, August 21, 2024 1:59 PM
To: Chalmers, Jim (MP) <Jim.Chalmers.MP@aph.gov.au>
Subject: Website Contact

s 47F



s22

s 22

From: s22 @TREASURY.GOV.AU>
Sent: Wednesday, July 10, 2024 5:30 PM
To: s22 @TREASURY.GOV.AU>
Subject: RE: ANZ Regional Bank Closures - constituent inquiry [SEC=OFFICIAL]

OFFICIAL

Yes, please. Let me know how you go.

Thanks s22

Kind regards,

s22
Office of the Hon Jim Chalmers MP | Treasurer
s22 E s22 @treasury.gov.au

OFFICIAL

From: s22 @TREASURY.GOV.AU>
Sent: Wednesday, July 10, 2024 5:29 PM
To: s22 @TREASURY.GOV.AU>
Subject: RE: ANZ Regional Bank Closures - constituent inquiry [SEC=OFFICIAL]

OFFICIAL

Hi s22

See ABS map of remoteness areas as against the *Australian Statistical Geography Standard (ASGS) Edition 3*, as published by the Australian Statistician on 20 July 2021.

You will see that Bega is in “outer regional australia” which is covered by the ANZ/Suncorp branch closure commitment.

Did you want me to raise with s22

Kind regards,

s22

Banking Unit, Financial System Division
The Treasury, 1 Langton Cres, Parkes, ACT 2603

s22

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OFFICIAL

From: s22 @TREASURY.GOV.AU>

Sent: Wednesday, July 10, 2024 5:16 PM

To: s22 @TREASURY.GOV.AU>

Subject: FW: ANZ Regional Bank Closures - constituent inquiry [SEC=OFFICIAL]

OFFICIAL

Hi s22

Is this branch outside the commitment? Thanks.

Kind regards,

s22
| Office of the Hon Jim Chalmers MP | Treasurer
s22 @treasury.gov.au

OFFICIAL

From: Chalmers CLO <chalmersCLO@TREASURY.GOV.AU>
Sent: Wednesday, July 10, 2024 4:58 PM
To: s22 @TREASURY.GOV.AU>
Subject: FW: ANZ Regional Bank Closures - constituent inquiry [SEC=OFFICIAL]

OFFICIAL

OFFICIAL

Hi s22

Do you have any advice on a response to this one at all?

Thanks,
s22

OFFICIAL

OFFICIAL

From: s 22 @aph.gov.au>
Sent: Wednesday, July 10, 2024 4:55 PM
To: Chalmers CLO <chalmersCLO@TREASURY.GOV.AU>
Subject: ANZ Regional Bank Closures - constituent inquiry

Dear s22

s 47F

s 47F who is most upset that the Bega ANZ branch is closing in October, with the closest branch now a 3 hour drive away in Woden.

s 47F all was fine given the announcement that ANZ was purchasing Suncorp and s 47F had read in the SMH (Sat 29 June)

“As part of the approval, Chalmers announced requirements that will stop ANZ and Suncorp from closing regional branches across Australia for three years”

However bank workers in the Bega branch have told s 47F that the branch will still be closing.

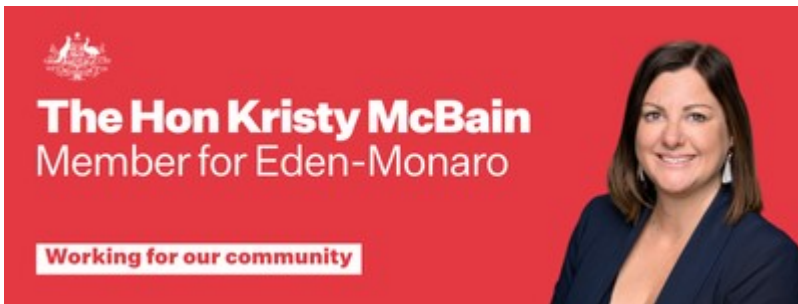
s 47F contacted us to clarify why this is happening.

Can you advise? Note that the announcement to close the branch was made a number of weeks before the announcement of the terms of the merger.

Many thanks

s 22

Office of the Hon Kristy McBain
Member for Eden-Monaro
1/21-25 Monaro Street | Queanbeyan NSW 2620 | 02 6284 2442
1/225 Carp Street | Bega NSW 2550 | 02 6492 0542
Parliament House | Canberra ACT 2600 | 02 6277 7060



We acknowledge the Ngambri, Ngunnawal, Wiradjuri, Ngarigo and Yuin people as Traditional Owners of Country in the Eden-Monaro Electorate.

We recognise their continuing connection to lands, waters and communities and pay our respect to Aboriginal and Torres Strait Islander cultures; and to Elders past, present and emerging

s22

s 22

From: Media <media@treasury.gov.au>
Sent: Wednesday, August 21, 2024 12:29 PM
To: s22 @TREASURY.GOV.AU>
Subject: RE: Bega ANZ branch [SEC=OFFICIAL]

OFFICIAL

Thank you s22

s22
Media, Communications Branch

OFFICIAL

From: s22 @TREASURY.GOV.AU>
Sent: Tuesday, August 20, 2024 5:08 PM
To: s22 @TREASURY.GOV.AU>; Media <media@treasury.gov.au>; s22 @TREASURY.GOV.AU>
Subject: RE: Bega ANZ branch [SEC=OFFICIAL]

OFFICIAL

I have spoken to ANZ and they have confirmed that they are about to announce that they are reversing the prior announcement that they are closing the Bega branch.

We can tell the office that

Kind regards,

s22

Banking Unit, Financial System Division
The Treasury, 1 Langton Cres, Parkes, ACT 2603

s22

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From: s22 <[@TREASURY.GOV.AU](#)>
Sent: Tuesday, August 20, 2024 4:09 PM
To: Media <media@treasury.gov.au>; s22 <[@TREASURY.GOV.AU](#)>
Cc: s22 <[@TREASURY.GOV.AU](#)>
Subject: RE: Bega ANZ branch [SEC=OFFICIAL]

OFFICIAL

Very much appreciated – Thanks s22

Kind regards

s22

OFFICIAL

From: Media <media@treasury.gov.au>
Sent: Tuesday, August 20, 2024 4:08 PM
To: s22 <[@TREASURY.GOV.AU](#)>; Media <media@treasury.gov.au>; s22 <[@TREASURY.GOV.AU](#)>
Cc: s22 <[@TREASURY.GOV.AU](#)>
Subject: RE: Bega ANZ branch [SEC=OFFICIAL]

OFFICIAL

Thank you s22 and all.

s 47E(d)

Kind regards,

s22

s22

Media, Communications Branch

OFFICIAL

From: s22 <[REDACTED]@TREASURY.GOV.AU>
Sent: Tuesday, August 20, 2024 4:03 PM
To: Media <media@treasury.gov.au>; s22 <[REDACTED]@TREASURY.GOV.AU>
Cc: s22 <[REDACTED]@TREASURY.GOV.AU>
Subject: RE: Bega ANZ branch [SEC=OFFICIAL]

OFFICIAL

Hi s22

Upfront we want to be very clear that we have no information confirming whether the Bega ANZ Branch is or is not closing.

To that end we, received some ministerial correspondence from a member of the public two days ago (18 August 2024) asking the treasurer to please stop the branch being closed. As you mentioned you have raised this with the T.O, please find below some background context of the ANZ-Suncorp merger conditions.

On 28 June 2024, the Treasurer announced that ANZ's proposed acquisition of Suncorp Bank could only proceed subject to strict conditions directed at protecting the customers and staff of both organisations.

The Treasurer required that:

- For a period of three years, there be no net reduction in regional and remote bank branches operated by ANZ or Suncorp Bank, Australia wide.
- For a period of three years, there be no net job losses as a result of the transaction across both organisations, Australia wide.
- Suncorp maintain its agreements with Bank@Post and ANZ make best endeavours to join Bank@Post.

The Bega ANZ branch was covered by the first of these conditions imposed by the Treasurer, as a 'regional' ANZ bank branch.

Let us know if you have any further questions.

Kind regards

s22

OFFICIAL

From: Media <media@treasury.gov.au>
Sent: Tuesday, August 20, 2024 2:42 PM
To: s22 <[REDACTED]@TREASURY.GOV.AU>; s22 <[REDACTED]@TREASURY.GOV.AU>; Media <media@treasury.gov.au>
Subject: FW: Bega ANZ branch [SEC=OFFICIAL]
Importance: High

OFFICIAL

Hi s22

s 47E(d)

They would like some context/info that might connect with Government policy please.

Can you suggest some lines that might be helpful?

Thank you kindly,

s22

Media, Communications Branch

OFFICIAL

From: s22 <[REDACTED]@TREASURY.GOV.AU>
Sent: Tuesday, August 20, 2024 2:04 PM
To: Media <media@treasury.gov.au>
Cc: Treasurer Media <TreasurerMedia@TREASURY.GOV.AU>
Subject: FW: Bega ANZ branch [SEC=OFFICIAL]
Importance: High

OFFICIAL

Team can you prepare a response to below please.
Think this is the result of our policy.

s22

From: s 47F

Sent: Tuesday, August 20, 2024 11:27 AM
To: Chalmers, Jim (MP) <Jim.Chalmers.MP@aph.gov.au>
Subject: Bega ANZ branch

Hello,

I have heard the Bega ANZ branch may not be closing and will instead have it's opening hours reduced?

This is big news for the regional community. Can you confirm?

Thanks for your time.

s 47F

s22

s 22

From: s22
Sent: Wednesday, July 10, 2024 5:51 PM
To: s 22 @anz.com>
Cc: Preston, Robb s22 s22 @TREASURY.GOV.AU>
Subject: Regional Branch Closures [SEC=OFFICIAL]

OFFICIAL

Hi s 47F

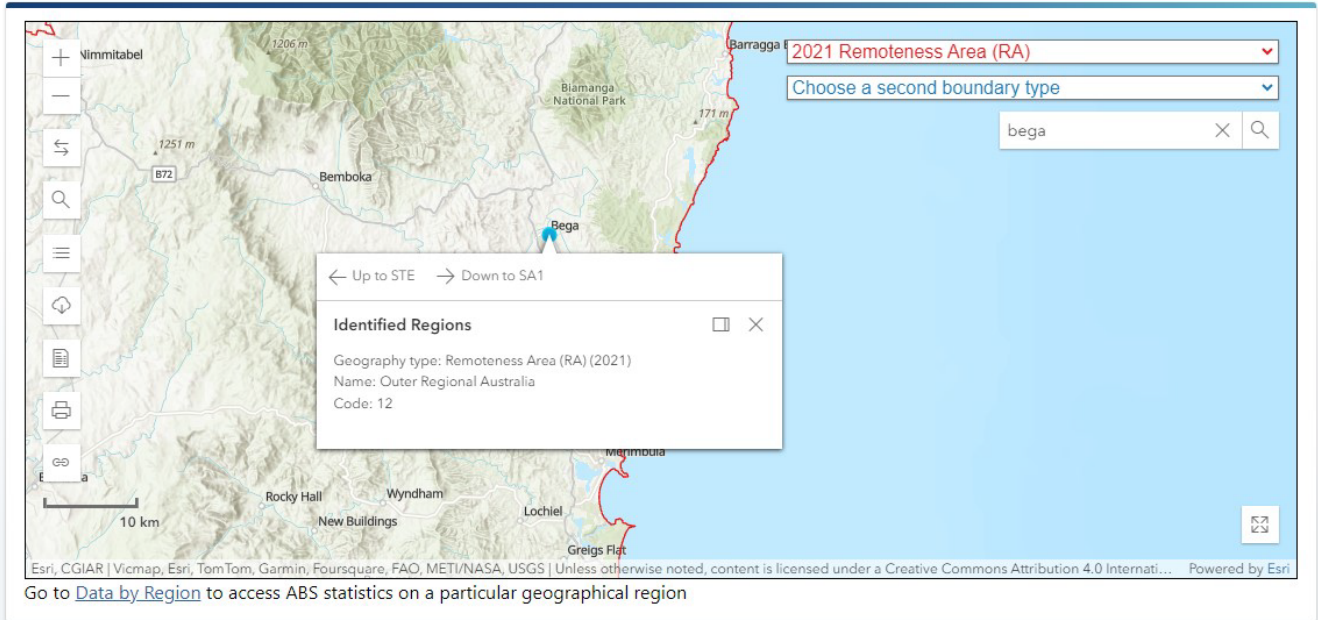
The Treasurer's office have advised that they have been contacted by the Member for Eden-Monaro.

s 47F

s 47F when asking if the ANZ/Suncorp approval announcement means it is no longer closing in October, ANZ branch staff have told them that the branch will still be closing.

The office has asked us to reach out to ANZ and ask for confirmation that (as per the ABS regional areas map below) Bega is caught by the branch closures freeze?

ABS Maps



Kind regards,

s22

Banking Unit, Financial System Division
The Treasury, 1 Langton Cres, Parkes, ACT 2603

s22

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OFFICIAL

s22

From: s22
Sent: Monday, 9 September 2024 3:20 PM
To: s22
Cc: Baird, Tim; Kelly, Lynn
Subject: Katoomba ANZ branch closing [SEC=OFFICIAL]

OFFICIAL

Hi s22

Heads up on possible issue that might develop. ANZ is shutting the Katoomba branch. s 47E(d). People may question why it is permitted notwithstanding the Suncorp FSSA conditions.

Is that a Banking Unit issue (as it relates to FSSA conditions) or is it a Retail Banking Unit issue (as it related to regional bank branches)?

It is not in breach of the Suncorp FSSA condition not to close regional or remote branches – Katoomba is classified as ‘major capital city’.

See map

<https://maps.abs.gov.au/> Choose boundary: “2021 Remoteness Area”. Search for Katoomba. Right click on the town to get the ABS remoteness classification (which is what the FSSA conditions use in the prohibition of branch closures in regional or remote Australia)

Kind regards,

s22
Banking Unit, Financial System Division
The Treasury, 1 Langton Cres, Parkes, ACT 2603
s22
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OFFICIAL

s22

From: s22
Sent: Thursday, 5 September 2024 2:54 PM
To: MG FSD Banking; s22
Cc: s22
Subject: RE: For info: ANZ appearance at House of Representatives, Standing Committee, Economics Today - Notes [SEC=OFFICIAL]
Attachments: s22

OFFICIAL

Hi All

Building on s22 notes below, please find attached the transcripts from both days of this committee which have now been made available for reference.

Kind regards,

s22

Banking Unit | Financial System Division
Markets Group

The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.

OFFICIAL

From: s22 @TREASURY.GOV.AU>
Sent: Friday, August 30, 2024 3:55 PM
To: MG FSD Banking <MGFSDBanking@TREASURY.GOV.AU>; s22 @treasury.gov.au; s22 @TREASURY.GOV.AU>; s22 @TREASURY.GOV.AU>
Subject: For info: ANZ appearance at House of Representatives, Standing Committee, Economics Today - Notes [SEC=OFFICIAL]

OFFICIAL

Hi all,

Thought I would circulate some notes given there is some topical issues that were discussed at ANZ's appearance to the Standing Committee today (so far).

Feel free to on-send.

ANZ Attendees

- Mr Shayne Elliott, Chief Executive Officer and Executive Director
- Mrs Maile Carnegie, Group Executive, Australia Retail

s 22

Regional banking

- Leaned on conditions placed on the bank under the FSSA for response to questions on bank branches and Bank@post.
 - Unable to close branches for 3 years
 - Must make best endeavours to progress dealings with Australia Post on participation in Bank@post.
- Main reason not already signed up to Bank@post is that they believed the deal for them to join was unfavourable compared to the other major banks.
 - Smallest retail bank of the majors, less than half the size of CBA. Offer that non-majors received was significantly cheaper.
 - Have inherited Suncorp Bank’s Bank@post agreement which they will be able to learn from and honour.
- No silver bullet for regional banking. Challenge around the world but Australia has additional challenges due to its geographic size.
- In response to vulnerable cohorts such as elderly cohorts being impacted by branch closures:
 - “Bright future for branches”.
 - For the convenience of the majority can’t leave behind minority.

Kind regards,

Banking Unit, Financial System Division

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OFFICIAL



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON ECONOMICS

Review of Australia's four major banks

(Public)

FRIDAY, 30 AUGUST 2024

CANBERRA

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It is made available under the condition that it is recognised as such.

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

[PROOF COPY]

Part of that will come down to the necessity for investment in the broader sense, whether that's foreign investment or whether that's domestic investment. My predecessor used to say, quite rightly, that capital goes where it's welcome. Despite all the prosperity in this nation, we're still a growing country and a country of opportunity. That will require capital, and we need to be a welcoming place for that capital. A welcoming place for capital means regulatory settings and tax settings but also the broader social environment. Is this a place that celebrates success, encourages entrepreneurship and celebrates large, successful businesses or not? There is a lot there that I think the government can do.

With your question, I know you're interested in tax. That's not an area of my expertise, but tax matters. It is one of those factors that play into it. In my experience—and I've worked in multiple places around the world—and taking my role as the CEO of ANZ and talking to a lot of our customers, which tend to be the big end of town, companies can deal with all sorts of settings, and they'll make do. What they're really looking for is clarity, predictability and simplicity. All three of those things to some extent could be worked on in Australia.

Ms SPENDER: Thank you. I appreciate your time. I'll hand back to the chair.

CHAIR: I just have a couple of quick follow-ups. Firstly, we talked earlier about regional and rural bank closures. Can you just remind me what the current position is?

Mr Elliott: We agreed with the federal Treasurer that we will not close any regional branches, either Suncorp or ANZ, for a period of three years from the date of acquisition, which was a month ago.

CHAIR: I've had some feedback that there's active discussion going on in, I think, Katoomba and Murwillumbah around this and that there are actually petitions and discussions in the community and pushback on some scheduled closures for October.

Mr Elliott: They were ones that were already in train before the condition was even discussed with us. Outside of the current moratorium, there's quite a long consultation period, and we give communities a reasonable amount of notice. We say, 'This is what we're going to do,' and we talk to people about what alternatives will be put in place. Some of those had already started. When the federal Treasury put the requirements in place, they were literally right towards the end of our negotiations. When we kicked off those branch closures, we weren't aware that we were going to make that obligation, and that's why they were caught in the middle. We're relooking at those ones.

CHAIR: So you're relooking at them?

Mr Elliott: Yes.

Mrs Carnegie: Specifically, with Katoomba, we are planning to go through with that closure. There were four branches that were caught up in that zone where we had announced the closures before we knew about the requirement as part of the Suncorp acquisition. We have reversed two of them because they were clearly in regional areas and we were able to reverse them. We are going forward with Katoomba, and we have shared this with the government. The issue with Murwillumbah is that that branch is actually not fit for purpose, and so we're closing it, but we are actively exploring an alternative site.

Mr Elliott: Just to be clear, it is not fit for purpose for health reasons.

Mrs Carnegie: Yes.

CHAIR: Is this post floods?

Mr Elliott: It's suffering from mould, so it's not habitable by people.

Mrs Carnegie: Yes.

CHAIR: Okay. I might follow up with clarification on those two. It's an awkward one. I can imagine that in those communities they kind of see a commitment, and it would be jarring. I'm interested also in your analysis of community need for branches, and this isn't just regional and rural; this is face-to-face engagement. I'm interested in the extent to which you've undertaken analysis of how much, for example, elderly customers—but also potentially others—might end up relying upon family members or friends to do their banking for them or basically be a person who helps them with their banking.

Mrs Carnegie: Obviously, before we close a branch, we understand that, as you said, regardless of whether it's regional, rural or in the city, there are members of the community that use the branches and they're a significant part of their current habits and practices. So we don't, obviously, close a branch lightly, but, when we do, one of the things we have in place is a customer care team. What that customer care team will do is go and actually analyse our customer data to identify anybody who is over the age of 65 and anybody who has used the branch more than two times in the last, I think, six months. We'll also identify small businesses that are frequent

users of the branch. So we kind of have a filter to try and recognise who are people who are most at risk of finding the branch closure difficult.

We will proactively reach out to those individuals—the customer care team will—and we will start working with them, well in advance of the branch closure, to start to help them understand what alternatives there may be. So, firstly, we seek to understand what their needs are and then put in place alternatives for them. A lot of that is to do with education: 'Actually, you can do this via the ATM.' We will go and literally do in-person sessions with them to help them understand how they can do that. It might be phone banking. So we will go through a series of steps, and then the team will identify whether or not there are individuals who then need follow-up post the branch closure. So we try and wrap as much support as we can around the closure of that branch, again through the identification. When I talk to that team, obviously, they have mentioned times where people have got family members who can support them, but we work with them to try and help to identify how the individual can do the banking themselves. I can go back and understand how big a problem that is, and I can take that on notice.

CHAIR: Yes, that would be useful. Sometimes it works well. Sometimes families want to do that. Sometimes it can lead to exposures, obviously.

Mrs Carnegie: Yes.

CHAIR: I saw this in my electorate in COVID, where a lot of older people used their children—or not used but worked with their children—to navigate government services or banking or whatever it might be.

Mrs Carnegie: Yes.

CHAIR: And then suddenly the five-kay limit meant they couldn't do that easily, and it really led to a lot of challenging situations. So a follow-up on that would be great.

One of the issues, obviously, coming out of the royal commission—I'll put this to all of the banks—was that, where there were clear cases of poor behaviour, the banking industry—I think Anna Bligh said this—said, 'We'll pay every penny back.' Are you aware of how many legacy cases are still unresolved at this point?

Mrs Carnegie: All of the cases specific to the royal commission have been closed and reimbursed. Obviously, we went beyond those to identify, because there was an individual case, whether there were other examples of that. We are still working through those. I think there are quite a number that are going to be closed out by December, but we're also proactively continuing to look. Again, often it's got nothing to do with poor behaviour; it's just—

CHAIR: Mistakes.

Mrs Carnegie: A mistake may happen. For example, I've just opened a remediation case because I found out that for term deposits, if a term deposit term finishes on the weekend and a customer makes any kind of changes to that term deposit over the weekend, we may not have been calculating the interest on that right. I just recently discovered that. I think there's going to be an ongoing run of, hopefully, increasingly smaller and smaller examples of things we find, but we're really trying to make sure that we find them quickly and remediate them quickly as well. Again, there are going to be a few that are left over from December, and I'm happy to come back to you on what those specific remediations are.

CHAIR: I'll follow up. Ms Lawrence asked a lot of questions about the AFCA cases, and so I'm interested in a little bit of a breakdown of areas where there are cases, but we're also trying to look at it, for example, per thousand customers, just to make sure we're normalising it in appropriate ways. I'm interested in what the trend in the number of court cases that ANZ isn't—

Mr Elliott: Court?

CHAIR: AFCA is obviously the preferred route, where possible. It can't be used for all situations, but sometimes things go into more formal legal proceedings—

Mr Elliott: It's a good question.

CHAIR: What's the five-year trend, say, and how many court cases are on foot at any point in time?

Mr Elliott: I'd have to take that on notice and come back to you. Thankfully, it's relatively modest. It's not a big number, but I couldn't tell you what the trend is. I will come back to you on that. I don't have that off the top of my head.

CHAIR: I'll put that to all the banks. I think I know the answer to this, but is ANZ formally committed to being a model litigant?

s22

From: s22
Sent: Tuesday, 10 September 2024 11:05 AM
To: s22
Cc:
Subject: RE: FW: BCIB media report [SEC=OFFICIAL]

Happy to leave this with you all – thank you. I suggest if any MCs come through on this they could be led by you too, if ANZ/Suncorp text is needed please let us know.

Cheers,
s22

s22
Banking and Credit Unit – Banking and Credit Branch
Financial System Division

The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.



From: s22 @TREASURY.GOV.AU>
Sent: Tuesday, September 10, 2024 10:42 AM
To: s22 @treasury.gov.au; s22 @TREASURY.GOV.AU>
Cc: s22 @TREASURY.GOV.AU>
Subject: FW: FW: BCIB media report [SEC=OFFICIAL]

OFFICIAL

Hey s22 – just flagging this [ANZ Katoomba branch closure issue](#) in addition to the BoQ branch closures also [recently announced](#).

I think the Regional Banking QTB should be updated [QB24-000106](#). Guidance on PDMS suggests it can be updated outside of 10am-4pm on a sitting day ([parliamentary calendar](#)).

s22 – this might be a good task for s22. If he prepares cleared text perhaps we can drop it in after 4pm or on Friday 13 Sep?

s22

OFFICIAL

From: s22 @TREASURY.GOV.AU>
Sent: Tuesday, September 10, 2024 9:30 AM

To: s22 [redacted] @TREASURY.GOV.AU>
Subject: FW: FW: BCIB media report [SEC=OFFICIAL]

OFFICIAL

s22 [redacted]

I see Dale Webster has written about an ANZ branch closure below.

s22 [redacted]

De-Risking and Resilience Unit, Banking and Credit Branch
Financial System Division

s22 [redacted]

The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.

OFFICIAL

From: s22 [redacted] @TREASURY.GOV.AU>
Sent: Tuesday, September 10, 2024 9:00 AM
To: MG FSD Banking Credit And Insurance Branch s22 [redacted] @TREASURY.GOV.AU>
Subject: [SEC=OFFICIAL] FW: BCIB media report

From: noreply@streem.com.au <noreply@streem.com.au>
Sent: Tuesday, September 10, 2024 6:06 AM
To: s22 [redacted] @TREASURY.GOV.AU>
Subject: BCIB media report

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BCIB media report

Tuesday 10th September 2024

63 total items



Jump to: [Banking \(9\)](#) | [Insurance \(17\)](#) | [Redress \(37\)](#)

Banking

9 items

s22 [redacted]



ANZ's bid to outsmart Suncorp contract reaches new low

Australian Independent Media Network By Dale Webster
Monday 9 September 2024, 4:52pm AEST

By Dale WebsterDear _____Your complaint about our Katoomba branch closerThank you for contacting us about ANZ's decision to close our Katoomba branch.We understand this may affect the way

Keywords: banking (6), Jim Chalmers (1), Bank (12), federal government (1), Australian Banking (1), Australian Banking Association (2), Albanese (1), Australian (2), Australians (1)

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s22



ANZ's bid to outsmart Suncorp contract reaches new low

Australian Rural & Regional News

Monday 9 September 2024, 1:05pm AEST

Just when it seemed ANZ's attempts to justify the closure a regional NSW branch in defiance of a condition of the Suncorp acquisition deal not to close any regional sites for three years could not get any more farcical, the...

Keywords: bank (10), federal government (1), Australian Banking (1), Australian Banking Association (2), Banking (5), Albanese (1), Australian (2), Australians (1)

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s22