As a journalist covering regional issues when this latest wave of closures started in 2015- 2016, I was saddened to see so many communities trying in vain to get banks to change their minds, knowing that there was nothing they could do and nothing I could write that would make one iota of difference.

I spent a lot of time thinking about whether there was a national impact of so many bank closures happening across such a vast geographical area and my 2021 story “Big four Banks casting a dangerous shadow” is the result.

Cutting a very long story very short, I found that there is a strong argument that the lack of banks in regional Australia coupled with there being more cash in circulation than at any point in Australia’s history has led to banking deserts with thriving cash economies.

This is not by choice, but necessity as the banks continue to vanish and the distance between them grows wider.

When I was writing the story I contacted Reserve Bank researchers who had written about Australia’s missing bank notes to share my findings and seek comment. They hid under the bed, handballing me without response to the media department.

Officially the Reserve Bank will tell you that the missing cash is being hoarded. When pressed on this though they say “but it comes in and out of hoarding” but they can’t track when this occurs.

My interpretation of this is that that they have no idea whether they cash they classify as hoarded is buried in a tin in the ground or moving round and round towns in banking deserts. This is because one of the main ways they had of tracking cash – bank deposits and withdrawals – is not an attractive option when it’s a 600km round trip or more to the next closet branch.

I see the Reserve Bank and Treasury are up this afternoon – I’m curious to know how this spending is impacting on inflation or whether it’s even being considered. And if it’s not being considered, why not?

The last time I checked the number was more than $90 billion bank notes in circulation. Michele Bullock is blaming inflation, in part, on money spent on sporting events and recreation. You heard at the WA hearings about people having to take annual leave to travel to a bank to get the cash to run the weekly footy or local show. I didn't hear anyone saying they were taking another day off to travel back and bank the takings.

Another really long story cut really short is that to be able to report in depth on the issue of regional bank closures, I had to put together my own data on regional bank locations because it is not possible to find out what banks are located in which towns using the Australian Prudential Regulation Authrority's database.

An unintended consequence of this work was that I discovered in the process that large chunks of the data reported under law to APRA was wrong, with some of the misreporting dating back more than 20 years.

The errors were statistically significant and meant government data on bank branch numbers used by media, government and the private sector for decades had been wrong.

When made aware of the errors, instead of saying whoops, sorry and fixing the issues, APRA denied there was a problem and then proceeded in what I have no qualms in describing as a very underhanded way of attempting to cover up the mess.

The issue relates to the legal definition of a bank branch and the situation has now been complicated even further by the big four quietly rolling out an agenda to remove face-to-face cash service from their banks.

According to legislation, these sites can no longer be reported to APRA as branches. Over the past two years as a result of my reporting, Australia's bank branch numbers have been falling not only because of closures but also due to branches being reclassified as offices.

By not addressing the issue properly two years ago when it first became aware of it, APRA is now in the very embarrassing position where if you ask them this morning the number of banks that actually closed in Australia last year they – according to a response given to me last month – cannot tell you the answer.

Your next question for APRA should be is why hasn't it disclosed that the change in numbers from year to year is not entirely due to closures so the situation could be reported accurately, which it hasn't been.

The Regional Banking Taskforce final report is just one example of a document put together using inaccurate branch closure data from APRA.

Muddying the water even further is APRA's failure to separate Australia's biggest regional cities and coastal regions from the capital cities, a loop hole both the Commonwealth and Westpac have taken advantage of in their undertaking to not close any regional branches while this inquiry is underway.

I estimate this affects just over 200 regional bank branches.

Time restricts what I am able to cover today but I would like to share some fact checking I did after the September hearing.

ANZ CEO Shayne Elliott told the inquiry ANZ had teamed up with researchers from the University of South Australia to understand the impact of digital services on older Australians and that they found that most older Australians like and accept the online banking environment and that Australians over 65 are responding in line with younger cohorts in adopting digital banking.

After a lot of digging I found the report from that project and what Mr Elliott refers to as "most older Australians" was actually 46 people who lived in Adelaide and Melbourne.

I can also reveal that at the time, ANZ was in the process of settling a complaint to the Human Rights Commission over its use of power of attorney documents as a work around when elderly customers can't navigate the bank's call centre system or access a branch but are fully able to make banking decisions otherwise.

One of the outcomes of this agreement was that a conversation be had at board level about the treatment of elderly customers.

This provides a segue into the final point I want to make, which is about the Human Rights Benchmark the University of Sydney has developed for financial institutions.

One of the categories they assessed was treatment of customers.

In the first assessment, all four of the big four banks scored the lowest possible rating for treatment of customers, a red light.

To quote the researchers, “they think that if they can manage the optics, no one will ask the questions and dive into the data and see what is actually happening. What was missing was board, high-governance responsibility for human rights. They can fund the footy team, they can support children’s cancer research but it doesn’t excuse or balance out what they’re doing in their own day-to-day business activities.”

I’d like to table that report and the individual assessments for ANZ, CBA, NAB and WESTPAC for your consideration because no one but the banks are benefitting from these closures and their actions – as you have been hearing all over Australia – are causing harm, both to individuals, regional businesses and possibly even the national economy.

During the Covid lockdowns, Anna Bligh fought for the banks to be recognised as an essential service.

Please don’t forget that the last time the Senate looked at regional bank closures 20 years ago Penny Wong said if the bank’s behaviour didn’t improve and they didn’t stop pulling services out of regional areas, Labor was prepared to re-regulate them.

Another third of the regional big four banking network has gone since then, with numbers now down to less than 1000 branches.

This inquiry is the only thing standing in the way of losing the rest.

Dale Webster

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