



National Australia Bank

395 Bourke Street
Melbourne VIC 3000

15 February 2023

Senator the Hon Matthew Canavan
Chair
Senate Rural and Regional Affairs and Transport References Committee
Parliament House
Canberra ACT 2600

Dear Senator

Thank you for your correspondence of Friday 10 February 2023 notifying NAB of the Senate Rural and Regional Affairs and Transport References Committee's intention to conduct an Inquiry into bank branch closures in regional Australia.

NAB appreciates members of the Committee are seeking to ensure regional Australians have access to appropriate levels of banking services across the nation and we acknowledge our role to support our customers. We look forward to engaging constructively throughout the Committee's deliberations.

The way customers are doing their banking continues to change, with the majority of customers accessing their money differently to how they used to. More than 93 per cent of NAB's customer interactions now occur through digital channels. We are changing the way we do business to adapt to this changing customer behaviour. This includes reshaping our physical presence, to reflect how customers are using our branch network.

This reshaping process includes making difficult decisions to close parts of the NAB branch network that are no longer able to be readily staffed, where customer visitation numbers are extremely low or where a landlord may seek an alternative tenant in premises we do not own. Customers may also choose to do their banking at a different branch location in another community if it is more suitable to their requirements.

Where a closure may take place, our local team continues to work closely with customers up until the closure, to ensure they are aware of the banking options that will continue to be available. This can include continuing to bank in person at the local Australia Post Office, using telephone or online banking, or having one of our business bankers or mobile bankers visit at a time and location that suits them. We also provide assistance to customers by having a Community banker remain for a short time in the local Post Office following a closure to assist with the immediate transition.

When making these decisions we are also making decisions to invest in establishing larger or new premises in locations that are more attractive for our customers to visit. Nationally our investment in regional Australia in the last three years has been more than \$70 million. These investments are taking place or have been completed in locations such as Emerald, Gympie, Rockhampton, Toowoomba, Coffs Harbour, Tamworth, Taree, Narrabri, Goulburn, Orange, Parkes, Albury, Sale, Nagambie, Ballarat, Bunbury, Albany and many others, with more to come.

Banking at Australia Post can be used for both personal and business banking; to make deposits of up to \$9,999 cash or five cheques per day, cash withdrawals, check account balances and pay bills (including for credit cards). For our personal banking customers, there are no additional fees or charges for banking at Australia Post. We note the suggestion by some stakeholders in relation to a possible consolidation of bank branch locations in smaller communities. Our 10-year contract with Australia Post provides that opportunity, with many other banks choosing to make similar arrangements. This enables banking operations to continue in more than 3,500 locations around Australia and is further business support for local Post Offices.

For business, small business and agribusiness customers, we always aim for no change to the relationship that they have with their existing bankers. Customers in the location of a closure and surrounds will continue to be serviced by a team of agribusiness, business and small business bankers.

When we make changes to our branch network, all NAB colleagues are offered alternate roles with the bank.

NAB was an active participant in the Regional Banking Taskforce established by the former Government, chaired by former Assistant Treasurer the Hon Michael Sukkar MP and Senator Perin Davey, which the current Assistant Treasurer the Hon Stephen Jones MP finalised in late 2022. NAB has implemented all recommendations applicable to our business and had adopted the recommended measures as part of our existing process in the event that a decision is taken to close a branch.

We note the Committee's request for banks to postpone closures until the Inquiry is completed. We are always seeking to manage our operations in an open and transparent manner. This means we must make decisions in the best interest of NAB colleagues working in branches and on behalf of our customers and shareholders. We will be continuing our branch reshaping process during the Committee's deliberations in 2023, which will include closures, consolidations and new investments to meet our customers' needs.

We look forward to engaging with the Committee and lodging a submission in due course.

Yours sincerely