

SENATE INQUIRY INTO BANK CLOSURES IN REGIONAL AUSTRALIA

SUBMISSION BY THE ARC CENTRE OF
EXCELLENCE FOR AUTOMATED
DECISION-MAKING AND SOCIETY (ADM+S)

1 FEBRUARY 2024



+ +
+ +
+ +
+ +
+ +
+ +
+ +

+ + + + +
+ + + + +
+ + + + +
+ + + + +
+ + + + +
+ + + + +

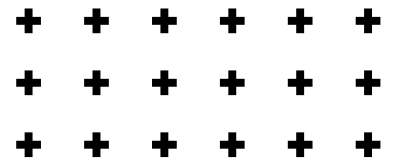


Table of contents

Background	3
About the evidence used in this submission	4
There remains a considerable digital divide between metropolitan and regional Australia	6
The digital divide varies according to age, with older Australians – particularly in regional areas – more likely to be digitally excluded.....	7
Vulnerable Australians, particularly those in regional areas, face affordability constraints to accessing quality, reliable internet	8
Some groups experience digital exclusion at greater rates, constraining access and use of digital services.....	9
While most Australians have recently used banking websites or apps, some groups use digital services to manage money at lower rates	11
To improve digital access and participation among digitally excluded Australians, ensuring online safety is paramount	13
There is a digital gap between First Nations people and other Australians, which increases with remoteness	14
Remote First Nations communities are particularly vulnerable to the negative effects of local bank closures	15
Conclusion.....	16
Research team.....	18
Research support	18
Appendix A: Responses to Australian Internet Usage Survey (Section F, Question 1, Response B).....	19

Background

Further to our appearance at the inquiry's public hearing in Kingston SE on 21 February 2024, the ARC Centre of Excellence for Automated Decision-Making and Society (ADM+S) appreciates the Committee's invitation to provide this submission to the Senate Rural and Regional Affairs and Transport References Committee inquiry into bank closures in regional Australia.

This submission has been prepared by the ADM+S at RMIT University and Swinburne University of Technology. The evidence that this submission presents is largely drawn from two key programs of research conducted by the ADM+S:

- The **Australian Digital Inclusion Index** (ADII) uses survey data to measure digital inclusion across three dimensions of Access, Affordability and Digital Ability. The ADII details how digital inclusion varies across the country and different social groups. Conducted since 2015, the ADII has allowed us to track changes in the distribution of digital inclusion in Australia over time.
- **Mapping the Digital Gap** uses surveys and interviews to provide a detailed account of the distribution of digital inclusion across 10-12 remote First Nations communities. With the Closing the Gap target 17 aiming for equal levels of digital inclusion for Aboriginal and Torres Strait Islander people by 2026,¹ Mapping the Digital Gap provides data to inform policy and programs to help close the digital gap.

Given the focus of the inquiry, this submission will focus on the distribution of digital inclusion in regional and remote Australia, including in remote First Nations communities.

Overall, we find that digital inclusion continues to improve across Australia. However, there remains significant geographic and demographic variation within states, territories and communities, and a continuing divide between capital cities and the rest of the country. Older Australians, those on lower incomes, experiencing unemployment, people with disability, and those who did not complete secondary school continue to experience digital exclusion at much higher rates. These digital inequalities compound and intersect, with excluded groups in regional and remote Australia particularly experiencing additional barriers to digital access and participation. This puts them at greater risk as essential services, including banking, increasingly move online.

A core rationale for bank closures or reduction in services in regional Australia is that the vast majority of customers interact with banks via digital channels. Submission 402 (National Australia Bank) notes that 93% of customer interactions with the bank are

¹ Department of the Prime Minister and Cabinet. Outcome 17: Closing the Gap.
<https://www.closingthegap.gov.au/national-agreement/national-agreement-closing-the-gap/7-difference/b-targets/b17>

through digital channels² and a 2023 report by the Australian Banking Association (ABA) and Accenture found that 89% of regional customers use online banking.³ The ABA notes in submission 428 to this inquiry that, in December 2022, more than two-thirds of Australians reported having downloaded their bank's financial apps.⁴

The evidence provided in submissions 402 and 428 is supported by evidence from the ADII. In 2022, 93% of survey respondents used banking websites or apps to manage money. However, the ability to access affordable, quality, and reliable internet services and to use these effectively are not evenly distributed. The ADII shows vulnerable groups, particularly in regional areas, continue to be left behind in an increasingly digital economy and society. Digital exclusion may be related to a lack of access, the costs of digital devices or data, and/or skills and literacies. The wholesale replacement of face-to-face services with online services presupposes that all Australians have a basic level of access, can afford a quality, reliable connection, and have the confidence and skills to use the internet effectively. The ADII continues to show that this is not the case.

About the evidence used in this submission

Between June and December 2022, the ADII conducted its annual Australian Internet Usage Survey (AIUS), with a total of 5,132 respondents. This sample includes 495 First Nations people living in remote and very remote areas of Australia that were surveyed as part of the Mapping the Digital Gap project. The AIUS investigates how Australians use the internet, what benefits Australians get from the internet, and what barriers exist to internet connection and use. The survey sample is stratified and weighted to reflect the Australian population. This submission draws on the 2022 wave of data collection, as well as the previous two waves of the AIUS in 2021 (n=2,287) and 2020 (n=2,798).

In this submission, we report ADII scores for Access, Affordability and Digital Ability across different demographic categories, such as age, education, income and employment. ADII scores range from 0 to 100: the higher the score, the greater the level of digital inclusion. ADII scores are relative, allowing comparisons across different social groups and geographic areas, and over time. Each of the Index dimensions –

² National Australia Bank submission 402 to the Rural and Regional Affairs and Transport References Committee inquiry into bank closures in regional Australia:
<https://www.aph.gov.au/DocumentStore.ashx?id=e1415b2a-029e-47ff-b16d-7043326ec62e&subId=740877>

³ Australian Banking Association (2023). Bank On It: Customer Trends 2023.
<https://www.ausbanking.org.au/wp-content/uploads/2023/06/Bank-On-It---Customer-Trends-2023-1.pdf>

⁴ Australian Banking Association submission 428 to the Rural and Regional Affairs and Transport References Committee inquiry into bank closures in regional Australia:
<https://www.aph.gov.au/DocumentStore.ashx?id=934d9a3a-787a-45b2-834d-f24b6d90ab65&subId=740929>

Access, Affordability and Digital Ability – are equally weighted to derive the total Index score.

The ADII dimensions		
Access	Affordability	Digital Ability
<i>Access concerns opportunities to gain a reliable internet connection and use various digital devices, alongside the frequency of online access. A typical individual with a high Access score has high frequency and intensity of use; fixed broadband; fast and unlimited data allowances; and access via a range of devices.</i>	<i>The Affordability dimension measures the percentage of household income required to gain a good quality service with uninterrupted connectivity. To do this, we consider the price of a basket of goods and services required for a well-connected household.</i>	<i>Digital Ability measures skill levels: what people can do online, and their confidence in doing it. A person with a high Digital Ability score can perform a range of basic and complex tasks, while those with lower scores may only have basic or no operational skills.</i>

While the AIUS survey enables us to report a national Index score for a range of socio-demographic groups, its sample means large numbers of responses are not collected for every regional area. To provide a more granular view of the geographic distribution of digital inclusion, the ADII uses a robust technique called Small Area Estimates (SAE). In modelling SAEs for the Index, national AIUS survey data is combined with Census data to estimate Index scores at the State and Local Government Areas.

Further information about the ADII, including more detailed findings, are available on the ADII website: digitalinclusionindex.org.au. A summary report of the 2022 findings, as well as reports for previous iterations of the Index, are available at: digitalinclusionindex.org.au/download-reports.

In this report, we also draw on findings from a 2020 evaluation of the Be Connected program, led by Professor Anthony McCosker from the ADII research team. The Be Connected Program is funded by the Australian Government and run by the Good Things Foundation in collaboration with the eSafety Commissioner and the Australian Department of Social Services and aims to increase the confidence, skills, and online safety of older Australians. A report on the findings from the evaluation is available at: doi.org/10.25916/5ed5b6e204a95

There remains a considerable digital divide between metropolitan and regional Australia

2022 data continues to show a persistent digital divide between capital cities and other parts of the country. While this gap is narrowing, it remains considerable, particularly in terms of Digital Ability. This means people living outside of capitals continue to record lower levels of digital skills and confidence in conducting a range of tasks online compared to Australians in capital cities.

In 2022, areas outside capital cities recorded an overall score of 69.8, which is 3.4 points less than the national average of 73.2, and 5.0 points less than capital cities. The Affordability gap between capital cities and other parts of the country remains narrow (0.4 points), however, the Digital Ability gap remains considerable and has increased from 7.0 to 7.7 points. The Access gap is 4.0.

For the first time in 2022, we have measured digital inclusion across five levels of remoteness (major cities, inner regional, outer regional, remote, and very remote).⁵ The data shows a general decline with remoteness, with a 12.0 point gap between major cities and very remote areas (Figure 1). This gap, between major cities and very remote areas, is particularly acute in terms of Access (18.2 gap) and Digital Ability (10.3 points).

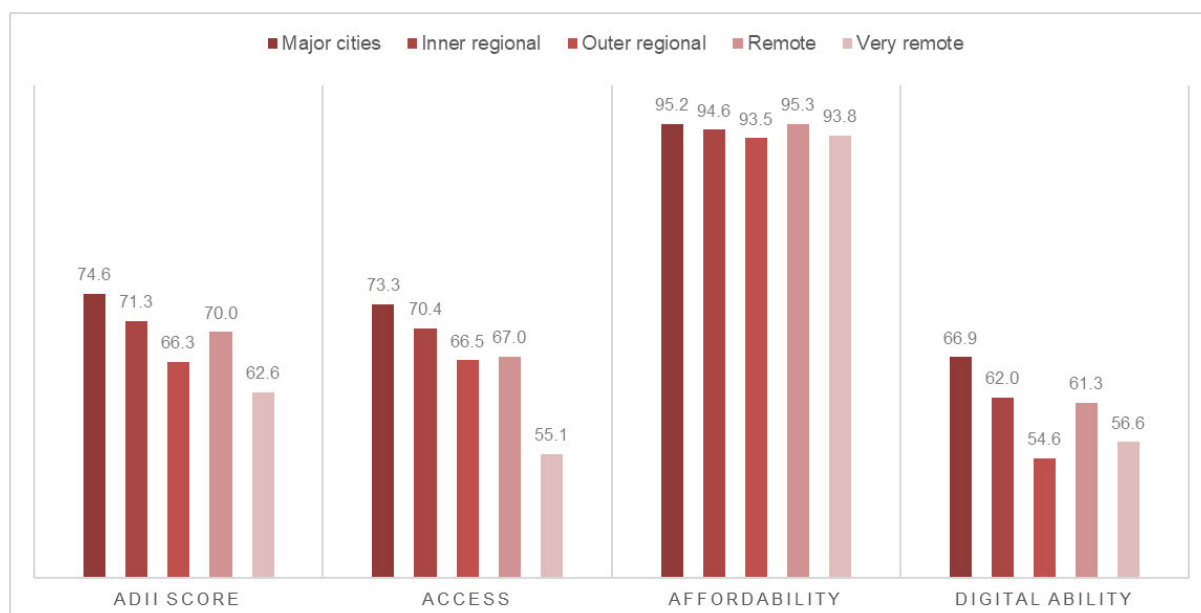


Figure 1: 2022 Index scores, by remoteness

⁵ These five levels are based on the Australian Statistical Geography Standard Remoteness Structure developed by the Centre for Housing at the University of Adelaide and the Australian Bureau of Statistics. See: abs.gov.au/statistics/standards/australian-statistical-geography-standard-asgs-edition-3/jul2021-jun2026/remoteness-structure

The digital divide varies according to age, with older Australians – particularly in regional areas – more likely to be digitally excluded

Age continues to be strongly related to digital inclusion, with younger age groups recording higher scores than older Australians. This is a national trend but is particularly acute when comparing capital cities and the rest of Australia (see Figure 2).

Overall Index scores drop considerably according to age, from 82.6 among 18–34 year olds to 48.5 among those aged 75+ years. In areas outside capital cities, the gap between these two age cohorts is 35.2. This gap is seen across the three dimensions of the Index.

The digital divide between younger and older Australians is particularly acute in terms of Digital Ability: what people are able to do online, and their confidence in doing it. Older Australians consistently record lower Digital Ability scores than younger Australians, meaning many have only basic operational skills (e.g. downloading and opening files, connecting to the internet, and setting passwords) and may even lack these fundamental skills.

The gap in levels of Digital Ability between younger and older Australians is considerable at a national level, sliding from 82.9 for 18–34 year olds to 55.1 for 55–64 year olds, 42.3 for 65–74 year olds, and 23.3 for 75+ year olds. However, these figures are even lower outside of capital cities, with Digital Ability scores moving from 82.4 for 18–34 year olds to 48.2 for 55–64 year olds, 42.1 for 65–74 year olds, and 21.6 for 75+ year olds. This means older Australians, particularly those in regional areas, are more likely to lack the skills and confidence to access and effectively use digital banking applications.

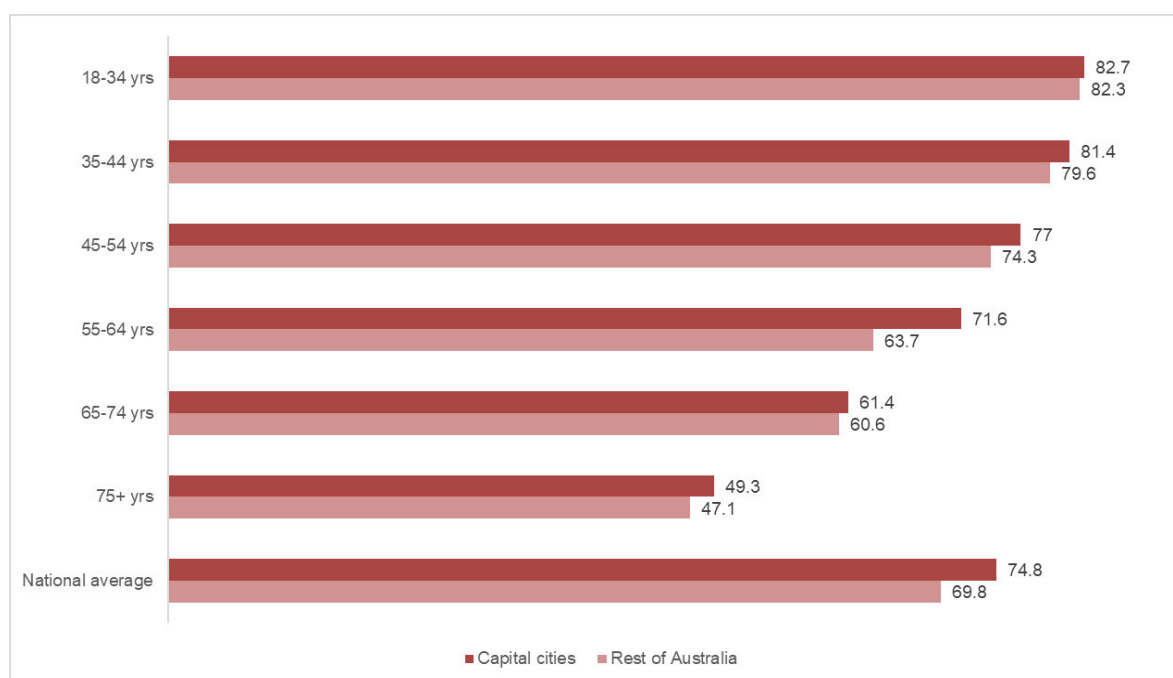


Figure 2: 2022 Index scores by age group, capital cities vs. rest of Australia

Vulnerable Australians, particularly those in regional areas, face affordability constraints to accessing quality, reliable internet

With the rapid update and expansion of digital services in banking, the ability to afford a reliable, quality internet connection and the devices necessary for connection is increasingly required for economic participation. However, some Australians, particularly those who experience social and economic disadvantage – those on low incomes, with lower levels of education or experiencing unemployment, people with disability, those living in public housing, and First Nations people – face affordability barriers at greater rates to the rest of the population.

Our Affordability dimension measures the percentage of household income that would be required to gain a good quality service with uninterrupted connectivity. To do this, we consider the price of a bundle of goods and services required for a well-connected household.⁶

Households that would have to pay more than 5% of their household income to access quality, reliable internet are considered to be experiencing ‘affordability stress’, compromising their capacity to pay for other essential household items. Given the increasing centrality of internet connectivity to basic social and economic participation, those experiencing affordability stress may buy cheaper and less capable services, and devices that limit the quality of connections and opportunities for internet use.

According to the latest ADII, 27.6% of Australians experience affordability stress. Some groups are particularly sensitive to affordability stress, including people with disability (55.1%), those living in public housing (64.1%), and people experiencing unemployment (69.4%). For more detailed information on affordability barriers to digital inclusion across different groups, please see our recent case study, *Breaking the inequality cycle: Examining affordability barriers to digital inclusion* which was featured as part of the most recent ADII report.⁷

There is some regional variation in levels of affordability stress (see Figure 3). While 27.7% of Australians nationally experience affordability stress, this number rises to 31.8% in inner regional areas and 36.2% in outer regional areas. The share of Australians who would need to pay more than 10% of their income to afford quality, reliable internet is above the national average in inner regional (5.1%), outer regional (6.0%), and very remote (8.5%) areas. For many in this cohort, a reliable internet connection is beyond

⁶ This ideal internet bundle enables both quality and reliable connectivity through a fast internet connection (such as that provided through a cable HFC service, NBN 50 or above, or 5G wireless service), an unlimited monthly data allowance through a fixed broadband service, and a mobile broadband or mobile phone data allowance above 61 GB per month.

⁷ digitalinclusionindex.org.au/case-study-breaking-the-inequality-cycle-examining-affordability-barriers-to-digital-inclusion/

their economic reach, and more people in these areas will have to rely on cheaper and less capable services, intermittent service, or a complete lack of connectivity. Therefore, regional bank closures remove face-to-face services in precisely those geographic areas where there is a higher need for such services.

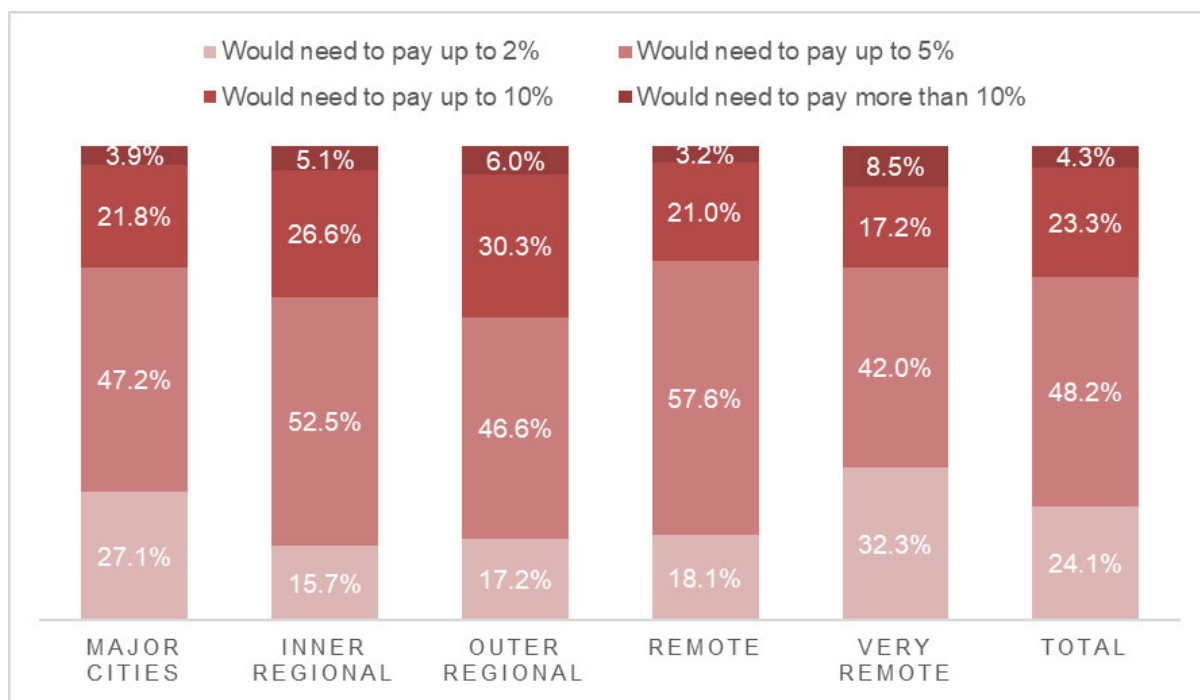


Figure 3: Levels of household income needed to gain access to a bundle of goods and services required for a well-connected household, by remoteness.

Some groups experience digital exclusion at greater rates, constraining access and use of digital services

We classify Index scores into four groups:

- Highly excluded (45 or below)
- Excluded (above 45 and below 61)
- Included (61 and below 80)
- Highly included (80 and above).

The threshold for inclusion (61 and above) indicates that a person scoring above that level can make accessible, affordable, and effective use of the internet. To be digitally excluded (with a score below 61) means one lacks the required resources to participate fully in an increasingly digital economy and society.

Nearly one in four Australians (23.6%) are digitally excluded. According to the most recent ADII, almost one in ten (9.4%) Australians are highly excluded and a further 14.2% are excluded. Digital exclusion can present and compound barriers to basic services that increasingly require internet access and digital skills, including banking and financial services.

Some Australians experience digital exclusion at higher rates. Highly excluded Australians are more likely to have a disability (24.5% highly excluded), live in public housing (28.2% highly excluded), have not completed secondary school (32.5% highly excluded), or be over 75 years of age (42.3% highly excluded). The majority of those who did not complete secondary school and/or are over 75 years of age are digitally excluded.

Digital exclusion is more prevalent in regional and remote Australia. Figure 4 shows digital exclusion is slightly below the average in major cities (20.8%), while rates of exclusion are markedly higher outside cities, particularly in outer regional and remote areas. In very remote parts of Australia, four in ten people (40.6%) are digitally excluded. This means that people living in regional and remote areas are more likely to lack access to quality, reliable connectivity, face barriers to the costs of digital devices or data, lack confidence in using digital technologies, and lack the skills to use technologies effectively to achieve a range of tasks.



Figure 4: Rates of digital inclusion and exclusion, by remoteness.

Digitally excluded Australians are also increasingly concerned about privacy and scams. Consistent with evidence from Australian and international studies, such concerns are reinforcing internet avoidance among the digitally excluded.⁸ For example, 30.3% of highly excluded people have reduced their internet use because they were concerned about privacy and scams, compared with 7.9% of highly included people. This can see the already excluded face an additional barrier to accessing and effectively using technologies that may support increased social and economic participation, including internet banking.

While most Australians have recently used banking websites or apps, some groups use digital services to manage money at lower rates

The evidence provided in submissions 402 and 428 suggesting around 9 in 10 Australians use online banking⁹ is supported by evidence from the ADII. In 2022, 93.0% of survey respondents reported recently using banking websites or apps to manage money. However, some groups report using these services at lower rates.

The AIUS asks respondents whether they have used the internet to access banking websites or apps to manage money in the past six months. Across the previous three waves of the AIUS (2020, 2021, 2022), the figure has remained relatively consistent, moving from 92.2% in 2020 to 93.0% in both 2021 and 2022. However, among some groups, the use of the internet to manage their finances is not only lower than the national average, but has declined in recent years.

Less than 90% of people in the following groups used the internet to access banking websites or apps to manage money in the past six months:

⁸ Figueiredo, B., Aleti, T., Reid, M., Martin, D., Hjorth, L., Buschgens, M., ... & Sheahan, J. (2021). Reducing perceived risk and promoting digital inclusion for older Australians. <https://apo.org.au/sites/default/files/resource-files/2021-08/apo-nid313717.pdf>; Feng, D., Rafih, H., & Munteanu, C. (2023, July). Understanding Older Adults' Safety Perceptions and Risk Mitigation Strategies when Accessing Online Services. In *International Conference on Human-Computer Interaction* (pp. 467-491). Cham: Springer Nature Switzerland. https://doi.org/10.1007/978-3-031-35822-7_31

⁹ National Australia Bank submission 402 to the Rural and Regional Affairs and Transport References Committee inquiry into bank closures in regional Australia: <https://www.aph.gov.au/DocumentStore.ashx?id=e1415b2a-029e-47ff-b16d-7043326ec62e&subId=740877;%20>; Australian Banking Association submission 428 to the Rural and Regional Affairs and Transport References Committee inquiry into bank closures in regional Australia: <https://www.aph.gov.au/DocumentStore.ashx?id=934d9a3a-787a-45b2-834d-f24b6d90ab65&subId=740929>

- **Older Australians:** Australians aged 55 years and over are less likely to report the recent use of digital banking services. While over 96% of people aged under 55 years have recently used banking websites or apps to manage money, this rate declines to 89.3% among 55–64 year olds, 87.2% among 65–74 year olds, and 74.3% among those aged 75 years and over. There is evidence that the use of digital banking is declining, or plateauing among these older age cohorts.
- **People with disability:** 81.3% used digital banking recently. This has decreased since 2021, when 85.3% of people with disability reported recently using digital banking.
- **People living in public housing:** 87.1% recently used digital banking. This has increased since 2021, when 81.0% of people living in public housing reported using banking websites or apps to manage money.
- **People experiencing unemployment:** 82.2% used digital banking recently. This rate has declined considerably since 2021, when the rate of unemployed people who recently used digital banking was close to the national average, at 91.1%.
- **People receiving a pension or benefit as their main income source:** 84.6% recently used digital banking. This rate has been steadily decreasing since 2020. In 2020, the rate of welfare recipients who recently used digital banking was 87.5%; in 2021 it was 86.1%.
- **Mobile only access:** 86.7% of mobile only users used digital banking recently. This rate has declined since 2021, when the rate of mobile only users recently using digital banking was 88.0%. Mobile only access is generally associated with lower levels of digital inclusion.¹⁰ Data accessed via mobile networks rather than broadband is typically more expensive. Additionally, those on lower incomes often have to rely on prepaid mobile services for internet access, which is not guaranteed to be ubiquitous, as well as being more expensive per GB of data than postpaid services.

A full list of tables that details responses to the AIUS question relating to digital banking use across different groups, areas of Australia, and over time is included as Appendix A.

¹⁰ Thomas, J., Barraket, J., Wilson, C., Ewing, S., MacDonald, T., Tucker, J., & Rennie, E. (2017). Case study: Mobile-only Australians. Australian Digital Inclusion Index. Retrieved from <https://www.digitalinclusionindex.org.au/case-study-mobile-only-australians/>; Correa, T., Pavez, I., & Contreras, J. (2020). Digital inclusion through mobile phones?: A comparison between mobile-only and computer users in internet access, skills and use. *Information, Communication & Society*, 23(7), 1074-1091. <https://www.tandfonline.com/doi/abs/10.1080/1369118X.2018.1555270>

To improve digital access and participation among digitally excluded Australians, ensuring online safety is paramount

Improving online safety can help people overcome barriers to digital access and participation. Online scams, which have imposed high costs on the Australian people, especially affect older Australians. The ACCC's 2022 *Targeting Scams* report calculated an annual loss of \$3.1 billion due to scams, with \$1.5 billion lost to investment scams, \$229 million lost to remote access scams and \$224 million lost to payment redirection scams.¹¹ Analysis by ASIC found that 96% of scam victims do not get their money back.¹² The increasing prevalence and costs of scams can exacerbate digital exclusion, particularly, among older Australians, leading them to avoid technology use and exposing them to greater risks. The ABS reveals that 65% of people were exposed to scams in 2021-2022, with 2.7% of Australians responding to a scam. Notably, this response rate is higher among those aged 45-54 (3.5%) and 55-64 (3.2%).¹³ Additionally, the most recent ADII indicates that digitally excluded Australians, particularly older individuals, are more likely to avoid internet use due to concerns about privacy and scams.

The effectiveness of digital skills support in addressing online safety concerns is highlighted by a 2020 evaluation of the Be Connected program.¹⁴ This Australian government-funded initiative, administered by the Good Things Foundation in collaboration with the eSafety Commissioner and the Australian Department of Social Services, aims to boost the confidence, skills, and online safety of older Australians. The evaluation revealed that participants in the Be Connected program significantly improved their digital confidence, particularly after completing modules focused on online banking and online safety.

For older Australians and other digitally excluded groups, the desire to engage with online banking is a key motivator for seeking to improve their digital abilities. However, digitally excluded Australians require additional support and safeguards to ensure their

¹¹ Australian Competition and Consumer Commission. (2023, April). Targeting scams: Report of the ACCC on scams activity. <https://www.scamwatch.gov.au/system/files/Targeting%20scams%20report%202022.pdf>

¹² Australian Securities and Investments Commission. (2023, April). Scam prevention, detection and response by the four major banks. Report 761. <https://download.asic.gov.au/media/mbhoz0pc/rep761-published-20-april-2023.pdf>

¹³ Australian Bureau of Statistics. (2021-22). Personal Fraud. ABS. <https://www.abs.gov.au/statistics/people/crime-and-justice/personal-fraud/2021-22>.

¹⁴ McCosker, A., Tucker, J., Critchley, C., Hiruy, K., Walshe, J., Suchowerska, R., & Barraket, J. (2021). Improving the digital inclusion of older Australians: the social impact of Be Connected. Swinburne University. <https://doi.org/10.25916/5ed5b6e204a95>

safe participation in the digital world. Creating a more secure online environment through regulation could increase their confidence in utilising digital platforms.

In this regard, the recent introduction of a cross-industry code holding banks, telecommunications companies, and social media platforms accountable for reimbursing consumers who lose money to scams can play a crucial role. This initiative, along with a focus on social media platforms to detect and remove scams proactively, can contribute significantly to creating a safer online environment. Implementing such measures can create a safer online environment for all Australians, but crucially address key barriers to digital access and participation among those Australians at greater risk of digital exclusion and the significant cost of scams.

It is also important to note the critical nexus between access to a quality, reliable internet connection and the capacity to manage regular and substantial updates for software systems and applications. These updates are essential for ensuring the online security and safety of digital devices. Without a stable, fast, and affordable internet connection, individuals may struggle to download and install these updates, potentially leaving their devices vulnerable to security risks and compromising their personal data. This challenge is particularly pronounced for those in regional areas, where internet connectivity may not always be consistent or fast enough to handle such data-intensive tasks, or for those (particularly on low incomes) that rely on prepaid mobile for access.

There is a digital gap between First Nations people and other Australians, which increases with remoteness

Digital inclusion outcomes and access to services are critically important to ensuring informed decision-making and agency among Australia's First Nations people. However, there is a gap between the digital inclusion of First Nations people and other Australians. Recognition of this has led to the establishment of the National Agreement on Closing the Gap Outcome 17 – that 'Aboriginal and Torres Strait Islander people have access to information and services enabling participation in informed decision-making regarding their own lives'. People living in Australia's 1,100 remote First Nations communities are among the most digitally excluded Australians. However, until recently, there has been limited data to measure the scale and nature of this digital gap. Before 2022, the ADII national sample was not sufficient to generate a score for First Nations populations, and therefore a separate approach was required to measure and respond to digital exclusion in remote communities.

The Mapping the Digital Gap project is the first comprehensive study of remote First Nations communities' participation in, and access to, the digital economy. In 2022, the research team visited 10 remote First Nations communities and worked with local community organisations and paid co-researchers from these communities to conduct interviews with residents, community representatives, and service providers. In 2022, the 10 communities visited were:

- Djarindjin / Lombadina (Kimberley region, WA)
- Erub (Torres Strait Islands, Far North QLD)

- Gän̄gan, (East Arnhem Land, NT)
- Galiwin'ku (Elcho Island, East Arnhem Land, NT)
- Kalumburu (Kimberley region, WA)
- Tennant Creek (Barkly Region, NT)
- Wadeye (Daly region, NT)
- Wilcannia (Far Western region, NSW)
- Wujal Wujal (Far North QLD)
- Yuelamu (Tanami Desert, NT)

There is a considerable digital gap between First Nations and other Australians. Furthermore, levels of digital inclusion among First Nations people decline with remoteness. The digital gap between First Nations and other Australians nationally is 7.5, with the gap increasing to 21.6 in remote areas and 23.5 in very remote areas. This suggests that First Nations people, particularly in regional and remote areas, are less likely to be able to access quality, affordable, reliable internet and the range of digital devices required to access online services, including via websites and mobile apps. First Nations people in regional and remote areas also have lower levels of Digital Ability compared to other Australians in these areas.

Remote First Nations communities are particularly vulnerable to the negative effects of local bank closures

The Mapping the Digital Gap project found additional evidence that shows the role of banking services in remote First Nations communities and the real and potential effect of bank closures or service reductions on these communities. In 2022, First Nations respondents to the AIUS reported the recent use of banking websites or apps to manage money at lower rates (87.2%) than other Australians (93.2%). As well as this variation, research conducted across 10 remote First Nations communities in 2022 found that, while online banking is relatively well used (ranging from 60% in Wadeye to 95% in Erub), many First Nations people prefer face to face services, particularly older people who do not use online banking. While the post office in one of the research sites, Tennant Creek, now provides a banking service (following the closure of the local Westpac branch in 2022), respondents noted concern with the lack of privacy or personalised support compared with a bank branch.

Some older people in Tennant Creek still use their bank book to withdraw money rather than online banking to reduce issues of elder fraud. This was an issue across all 10 sites visited, particularly when family members get access to an Elder's account details (young people often help Elders use online banking) and transfer the money out, or take the person's card and use payWave, with amounts up to \$100 not requiring a PIN.

There are Traditional Credit Union agencies (dedicated banks for First Nations people and organisations) in Galiwin'ku and Wadeye, which we found were very well used. They employ local people and help customers set up their online banking. While community

members are very satisfied with these services, research participants reported that they are struggling to remain viable as on-site services.

In several other larger communities, the local post office provides banking services. However, the post office in Wujal Wujal also closed in 2022 and the banking service was moved to the local store. Wujal Wujal residents reported dissatisfaction with the new arrangement, as the store does not provide the digital support that the post office did, particularly in helping people set up and use online banking and help find the identification documents needed. In Yuelamu, a small community located in the NT's Central Desert region, Jeff Bruer of PAW Media also expressed concern with the lack of digital support:

[For] people who've grown up without English as a first language, older people particularly... logging on the internet, getting onto a bank account, government services online - [It's] just impossible!

The issue of poor connectivity and regular (and sometimes prolonged) outages in communities also impacts access to online banking, with many participants reporting EFTPOS and ATMs not working and being unable to do shopping or get basic supplies such as fuel. A research participant in Galiwin'ku told us that:

The internet here ... past 10 am is hopeless. [It] further marginalises people already living in an isolated community. You cannot look up information in an emergency [or] access internet banking [or send] emails ... Often there are unexplained internet outages.

In Wadeye, there were reports of connectivity dropouts mid-transaction, with people's money being deducted from their accounts despite not being transferred to the store. In these cases, customers had to leave without their groceries and wait for days until the bank cleared the transaction.

While cashless debit cards and Basics cards are no longer mandatory for welfare payments in remote First Nations communities, these services were still being used during research in 2022. Due to the use of these cards, people did not have the cash to purchase goods during connectivity dropouts or outages, leading to food insecurity, social unrest and challenges with maintaining day-to-day business and service operations.

ATM fees also create an affordability issue in remote First Nations communities. There can be a fee of \$2-3 for checking account balances at many ATMs in community stores, with some people wasting up to \$30 checking multiple times while waiting for Centrelink payments to arrive.

Conclusion

This submission has illustrated that despite improvements, regional areas exhibit lower digital inclusion scores across Access, Affordability, and Digital Ability compared to the national average and metropolitan areas. Moreover, age, language diversity, education,

employment, gender, housing tenure, income, and disability significantly shape digital inclusion levels, which amplify regional disparities. The uneven social and geographic distribution of digital inclusion in Australia should be taken into account when supplementing (or even replacing) bank branches with digital services.

The closure of bank branches, in particular, is likely to impact older individuals and First Nations communities living in regional Australia, highlighting their reliance on face-to-face services for financial transactions and personalised support. While digital technologies to access banking and manage money are widespread, the preference for face-to-face interactions persists, particularly for complex banking tasks, posing challenges in the absence of physical branches.

We appreciate the opportunity to provide this submission and would be happy to provide further detail and discuss the points made in this submission upon request.

Research team

- Distinguished Professor Julian Thomas, RMIT University – ADM+S Centre Director
- Professor Anthony McCosker, Swinburne University of Technology – ADM+S Chief Investigator
- Associate Professor Sharon Parkinson, Swinburne University of Technology – ADM+S Associate Investigator
- Dr Daniel Featherstone, RMIT University – ADM+S Senior Research Fellow
- Dr Lyndon Ormond-Parker, RMIT University – ADM+S Principal Research Fellow
- Dr Jenny Kennedy, RMIT University – ADM+S Associate Investigator
- Kieran Hegarty, RMIT University – ADM+S Research Fellow
- Robert Morsillo, RMIT University – ADM+S PhD Student

Research support

- Lucy Valenta, RMIT University – ADM+S Research Coordinator
- Leah Hawkins, RMIT University – ADM+S Research Communications Officer

Contact: adii@rmit.edu.au

Appendix A: Responses to Australian Internet Usage Survey (Section F, Question 1, Response B)

Below are tables with rates of 'Yes' responses against the option 'Used banking websites or apps to manage money' for the question 'In the past 6 months, have you done any of the following on the internet?' across various areas and demographic categories.

Table 1: Used banking websites or apps to manage money in the past 6 months, gender (2020-2022)

Gender	2020	2021	2022
Female	92.5%	93.2%	94.2%
Male	92.2%	93.4%	92.1%
National average	92.2%	93.0%	93.0%

Table 2: Used banking websites or apps to manage money in the past 6 months, speaks a language other than English at home (2020-2022)

LOTE	2020	2021	2022
LOTE - yes	94.7%	96.4%	92.7%
LOTE - no	91.5%	92.2%	93.1%
National average	92.2%	93.0%	93.0%

Table 3: Used banking websites or apps to manage money in the past 6 months, disability status (2020-2022)

Disability	2020	2021	2022
Disability - yes	83.0%	85.3%	81.3%
Disability - no	93.6%	94.4%	95.1%
National average	92.2%	93.0%	93.0%

Table 4: Used banking websites or apps to manage money in the past 6 months, dwelling type (2020-2022)

Dwelling type	2020	2021	2022
Own outright/purchaser	91.6%	93.4%	93.6%
Private rental	96.1%	94.4%	95.9%
Public housing	85.9%	81.0%	87.1%
Other (boarding, living at home)	89.4%	92.4%	88.1%
National average	92.2%	93.0%	93.0%

Table 5: Used banking websites or apps to manage money in the past 6 months, household composition (2020-2022)

Household composition	2020	2021	2022
Single person	88.3%	87.0%	89.3%
Multi-family/Group/other household	94.1%	93.9%	89.2%
Couple without children	91.2%	93.8%	92.6%
Couple with children	95.6%	95.8%	98.0%
One parent family	93.5%	91.8%	93.1%
Total	92.2%	93.0%	93.0%

Table 6: Used banking websites or apps to manage money in the past 6 months, employment status (2020-2022)

Employment status	2020	2021	2022
Employed	96.0%	96.6%	97.1%
Unemployed	90.2%	91.1%	82.2%
Not in the labour force	86.4%	87.2%	86.8%

Total	92.2%	93.0%	93.0%
--------------	--------------	--------------	--------------

Table 7: Used banking websites or apps to manage money in the past 6 months, receives ongoing pension/benefit as main income source (2020-2022)

	2020	2021	2022
Receives ongoing pension/benefit as main income source - No	94.5%	95.7%	95.5%
Receives ongoing pension/benefit as main income source - Yes	87.5%	86.1%	84.6%
Total	92.2%	93.0%	93.0%

Table 8: Used banking websites or apps to manage money in the past 6 months, mobile only (2020-2022)

Mobile only	2020	2021	2022
Have only mobile access - No	93.1%	93.5%	93.7%
Have only mobile access - Yes	83.2%	88.0%	86.7%
Total	92.2%	93.0%	93.0%

Table 9: Used banking websites or apps to manage money in the past 6 months, remoteness (2022)

Remoteness	2022*
Major Cities of Australia	93.3%
Inner & Outer Regional Australia	92.2%
Remote Australia	91.9%
Very Remote Australia	92.4%
National average	93.0%

**Remoteness was measured for the first time in 2022 wave*

Table 10: Used banking websites or apps to manage money in the past 6 months, First Nations status (2022)

First Nations status	2022
First Nations - No	93.2%
First Nations - Yes	87.2%
National average	93.0%

**Inadequate sample for 2020 and 2021 reporting on First Nations status*

Table 11: Used banking websites or apps to manage money in the past 6 months, region (2020-2022)

Region	2020	2021	2022
ACT	98.8%	88.7%	98.6%
Greater Adelaide	90.1%	86.4%	91.2%
Greater Brisbane	93.4%	94.0%	93.4%
Greater Darwin	N/A*	N/A*	93.5%
Greater Hobart	89.0%	92.7%	91.7%
Greater Melbourne	95.1%	95.5%	94.0%
Greater Perth	92.3%	97.1%	96.0%
Greater Sydney	92.7%	94.8%	91.5%
Rest of NSW	88.5%	90.7%	93.6%
Rest of QLD	92.0%	89.8%	91.0%
Rest of SA	79.4%	87.1%	94.4%
Rest of TAS	92.6%	79.3%	95.2%
Rest of VIC	87.3%	90.9%	91.4%

Rest of WA	97.9%	95.5%	94.1%
Rest of NT	N/A*	N/A*	91.0%
National average	92.2%	93.0%	93.0%

**Inadequate sample for 2020 and 2021 reporting on NT*

Table 12: Used banking websites or apps to manage money in the past 6 months, state/territory (2020-2022)

State/territory	2020	2021	2022
ACT	98.8%	88.7%	98.6%
SA	87.4%	86.6%	91.8%
QLD	92.7%	91.8%	92.2%
NT	N/A*	N/A*	92.4%
TAS	90.9%	85.7%	93.7%
VIC	93.3%	94.4%	93.3%
WA	93.6%	96.8%	95.6%
NSW	91.3%	93.4%	92.3%
National average	92.2%	93.0%	93.0%

**Inadequate sample for 2020 and 2021 reporting on NT*

Table 13: Used banking websites or apps to manage money in the past 6 months, occupation (2022)

Occupation	2022
Manager/Professional	98.5%
Technician/Trade worker	96.2%
Community/Personal service worker	96.5%
Clerical/Administrative worker	96.9%
Sales	96.5%
Machinery operator/Driver/Labourer	90.0%
National average	93.0%

**Occupation type was measured for the first time in 2022 wave*

Table 14: Used banking websites or apps to manage money in the past 6 months, age (2020-2022)

Age	2020	2021	2022
18-34 yrs	96.1%	97.6%	97.2%
35-44 yrs	96.1%	94.4%	97.3%
45-54 yrs	94.1%	94.3%	96.4%
55-64 yrs	90.8%	91.4%	89.3%
65-74 yrs	86.7%	88.4%	87.2%

75+ yrs	71.4%	76.6%	74.3%
National average	92.2%	93.0%	93.0%