

Winton Shire Council

BH:DM
22:617
26th August 2002



The Secretary
Parliamentary Joint Committee on
Corporations and Financial Service
Room SG.64
Parliament House
CANBERRA ACT 2600

Dear Dr Dermody

Re: Inquiry into the Level of Banking and Financial Services in Rural, Regional and Remote Areas of Australia

I refer to the above and your letter dated 31st July 2002 and advise that this matter was considered at the August Ordinary Monthly Meeting of Council.

Council has requested that I write and provide advice as to Council's response to the issues. As a background, I note that Winton is a small, remote community in outback Queensland, with a population of around 2,000, most of these in the township of Winton. The shire has an area of 54,000 square kilometers, and is around 200 kilometers from the next nearest centre (Longreach) with banking facilities.

In general terms, Winton has to be self sufficient for virtually all basic services, such as health services, including banking services. I also note that the Winton community, demographically, has a lot of older and younger people, with fewer in the mid-range of ages, which means that we have a lot of older members of the community. In general terms, these have a greater expectation of face-to-face service and are more resistant to technology. Winton township presently has a National Bank branch, with steadily reducing service provision, and recently the Westpac Bank branch closed and moved to an in-store facility. The Post Office provides a Commonwealth Bank agency and Elders provides a rural bank service. There is a real concern that the National Bank closure is a matter of "when", not "if".

Council notes the following issues for your consideration:

- Council believes that there is a definite need for a provision of traditional banking format, because of the desire for a face-to-face contact from a older and conservative community.
- Further, some form of traditional banking is important for the provision of cash to the township. Cash is needed, not only for businesses but also for not-for-profit groups operating. It is noted that there is a significant cash requirement, for



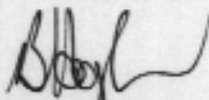
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- example, for the opal industry where buyers arrive in town to purchase opal and can require tens of thousands of dollars with less than twenty-four hours notice.
- It is noted that telephone banking and internet banking/shopping are growing at the expense of traditional banking. It is also noted that remote communities such as ours is the last recipient of technology advances. I believe we were just about the last exchange in Australia to go digital, for example, and therefore broadband internet access is probably a long way away. It is noted that broadband is not required for much of the internet banking or shopping, this is just an example of the lack of technology infrastructure for communities such as ours. More importantly, many properties do not even have mains power supplies and therefore have not the same equity of access to technology advances. I note that a recent scheme has provided satellite internet service at excellent subsidies to some properties with radio-telephony. I also note, however, that this was not made available across the board to everyone restricted by DRCS/HCRC radio telephone connections and there is no way that people with this level of connection can have any sort of reasonable internet connection for financial services.

In general, Council believes that there is a need for traditional banking services at present and for the foreseeable future, while infrastructure needs are addressed, and to allow generational adaptation to significant technology change. Council recommends some sort of community service obligation for the banking sector, with a requirement across the sector to ensure that traditional banking service needs are met.

Thank you for providing the opportunity to comment on this issue and particularly for providing sufficient time to allow reasonable consideration and response.

Yours faithfully



Bob Hodgland
Chief Executive Officer