



BULOKE
SHIRE COUNCIL



17th September 2002

Parliamentary Joint Committee on Corporations and Financial Services
Att: Secretary
Room SC64
Parliament House
CANBERRA ACT 2600

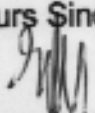
Please find enclosed submissions from community groups with in the Buloke Shire Council.

For further information please contact the writer.

ALL CORRESPONDENCE TO:

WYCHEPROOF
367 Broadway, PO Box 1
Wycheproof VIC 3527
Ph: (03) 5493 7400
Fax: (03) 5493 7395
Email: buloke@buloke.vic.gov.au

Yours Sincerely


Graeme Harris
Manager of Business & Community Development
Buloke Shire Council
Encl.

DISTRICT OFFICES

BIRCHIP
22 Cumming Ave
Birchip 3483
Ph: (03) 5492 2200
Fax: (03) 5492 2630

CHARLTON
1 High Street
Charlton 3525
Ph: (03) 5491 1755
Fax: (03) 5491 1723

DONALD
McCulloch Street
Donald 3480
Ph: (03) 5497 1300
Fax: (03) 5497 1419

SEA LAKE
65 Horace Street
Sea Lake 3533
Ph: (03) 5070 1218
Fax: (03) 5070 1389

SUBMISSION

Inquiry into the level of banking and financial services in rural, regional and remote areas of Australia.



General. The withdrawal of banking services in Australia has had an adverse impact on rural areas. This impact is apparent in regional cities such as Bendigo but financial services remain available within the city boundaries, in small towns impact of a bank closure is: *removal of the convenience of commercial banking facilities.*

Specifically. Culgoa is a township with a district covering 632 sq km. The total population of township and district is 250 persons, (all ages). A population of this size does not allow viable establishment of alternative banking arrangements such Giropost or Eftpos.

Note: Eftpos is available at Culgoa hotel; it is not a fully satisfactory commercial proposition.

The best that can be arranged, or expected, after a bank branch closes.

- Limited savings bank facility.
- Bill payment facility.
- Extremely limited cash withdrawal facility.

Options for additional services and shared banking facilities. The banking requirement in the town is diverse. Businesses in the town, and the dependent district, are listed below:

- farming, with major receipts and sales,
- hotel,
- store,
- mechanical repairs and fuel sales,
- small bulk transport company,
- rural supplies and sales,
- recreational activities,
- licenced post-office,
- Government primary school,
- Churches, sporting clubs and institutions.

These organisations have commercial banking needs. Those needs cannot be fully satisfied by the present banking facility in Culgoa

Note: Ten years ago a commercial banking facility was available in Culgoa. That bank's proud boast was that the Culgoa branch handled more than the usual number of commercial banking transactions each year – this claim did not prevent the branch being one of the first bank closures under the present bank rationalization activities. There is no reason to believe that the demand for, and the need for, a viable commercial banking facility has declined since the closure. **The demand remains.**

Summary. Media information, letters to editors, editorial comment, political statements, opinions of financial writers unfailingly state that regional cities, (and similar trading centres), have been adversely affected

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by the withdrawal of banking facilities and or staff numbers. If major centres are adversely affected, the impact on rural townships, such as Culgoa, is very heavy indeed.

It is NOT sufficient to contend that alternatives are available such as net banking, eftpos, bill payment facilities or that there is public demand for net banking etc. "Public demand" was induced. Inducements offered fewer, or lower fees, and improved service. Those inducements were vague and spurious.

It is NOT sufficient to contend that new technology is available to the mass of the population. Technology is available to those who can afford to purchase the technology. People without appropriate technology need to rely on public facilities. Those facilities might or might not be installed. Installation of an appropriate alternative scheme can be delayed until deemed to be cost effective. No appropriate installation of alternative banking has been approved for Culgoa. An application for Federal government funding that included alternative banking arrangements has dragged on UNRESOLVED for more than two years.

It is NOT sufficient to contend that people can learn to use, and live with new banking procedures. People are using, and are living **UNEASILY** with new procedures. People are aware that;

- *social implications,*
- *employment implications,*
- *service implications*

are consistently ignored unless shown to be "cost effective" – cost effectiveness calculated as an attribute of proprietorship dividends **not** as community satisfiers.

The withdrawal of banking facilities in Culgoa has had an effect on everyone. During the past nine years people, clubs and business enterprises have coped with the withdrawal. It is fair and proper to say that no one is pleased about the withdrawal, or considers that the withdrawal supplied any benefit to their enterprise or to their private lives.

Withdrawal of banking facilities is the exactly the same as when an industrial organisation withdraws its services to an associated industry – the ramifications are extensive, touching more people than those immediately involved, and is correctly termed, "holding society to ransom".

End.

Glen Marshall

Glen Marshall (on behalf of others)

GLEN MARSHALL
PO Box 9
CULGOA VIC 3530
Telephone: 0500500157