

**Parliamentary Joint Committee on  
Corporations and Financial Services**

**Inquiry into Banking & Financial Services  
In Rural Regional & Remote Areas  
of Australia**

**Submission No.** 131

**Submittor:** Elders Rural Bank  
Mr Bob Jones  
Managing Director  
GPO Box 551  
ADELAIDE SA 5001

**Telephone:** 08 8425 4000

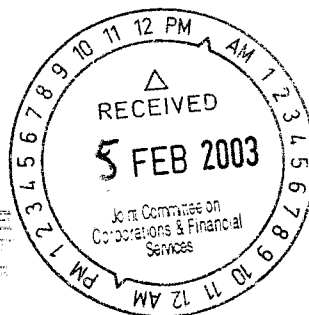
**Facsimile:** 08 8425 4849

**EMAIL:** [finance@elders.com.au](mailto:finance@elders.com.au)

**Attachments?** No Attachments



**Elders Rural Bank**



Tel (61+8) 8425 4000  
Fax (61+8) 8425 4849  
Freecall 1800 675 678  
Email [finance@elders.com.au](mailto:finance@elders.com.au)

Postal Address  
GPO Box 551, Adelaide  
South Australia 5001

31 January 2003

The Secretary  
Dr K.Dermody  
Parliamentary Joint Committee on Corporations & Financial Services  
Room SG.64  
Parliament House CANBERRA 2600

Dear Dr Dermody and Committee Members

**RE : Submission to the Inquiry into the level of banking and financial services in rural, regional and remote areas of Australia.**

Thank you for allowing ELDERS RURAL BANK the late opportunity to lodge a submission into your Committee on this topic of interest to us.

**Background**

The closure of one-in-three rural branches during the 1990s was a clear indicator of the decline of many rural and remote communities. Elders Limited (a member of the Futuris Group) is committed to an active and visible participation in rural Australia and therefore responded by pursuing opportunities to gain a Banking Licence to establish itself as an alternative provider of financial services to the many communities impacted by the loss of banking facilities.

**Elders Rural Bank ( ERB )**

Briefly, Elders Limited is a rural service provider with outlets in towns that have lost bank branches with representation points across most Australian geographical areas.

In January 1999 Elders Rural Services Limited began operating and in June 2000 gained it's own banking licence.

ERB is a 50/50 joint venture between Bendigo Bank Limited and Futuris Corporation.

The establishment of a financier committed to the improvement of financial services deliverables was innovative and practical.

The alliance marries Bendigo's banking expertise and rural product range with Elders rural and regional expertise, extensive representation and community acceptance. These names are two very powerful brands in all rural and regional areas.

## **Expansion of banking services**

The strategic expansion has provided specialist farm and rural banking products that can now be distributed through more than 400 Elders outlets and 200 Bendigo Bank branches across Australia.

The banking infrastructure and support is delivered via Bendigo Bank with Elders providing the human resources from within existing employee structures.

There is a commitment to providing a local branch wherever possible and with the network of Elders and Bendigo Bank (including their Community Bank branches) the national infrastructure servicing local communities has been expanded considerably.

## **Progress to date**

A noteworthy achievement to date has been the importance ERB has placed on building strong long-term relationships with its agribusiness clients. The specialised rural knowledge and unique links gained from the historical background of the Elders pastoralist business has generated strong support from the broad range of customers involved in rural Australia.

ERB posted a record profit (after tax) in its second year of operation i.e. 2001/02, increasing by more than 56% on the previous year whilst delivering returns which compare more than favourably with other industry participants.

Even with the current impacts of adverse seasonal weather conditions across the nation, ERB continues to grow its asset and liability portfolios.

Unparalleled support for retail deposits continues with a growing strength from non-agribusiness clients. The Bank is remaining fully funded with a loan book increasing by 24% during FY2001/02.

## **Level of Service available**

ERB is committed to agribusiness and the communities where it is represented. Face to face, on farm service and electronic banking, continues to underpin the Bank's commitment to excellent service delivery in rural, regional and remote areas.

New products and distribution options closely aligned to rural demands are continually being developed and investigated. The product functionality provided to customers continues to be explored with our joint venture partner Bendigo Bank.

Improvements to front line systems, processes and product development that meets the specific needs of our rural customers is ongoing.

A commitment exists to information technology with leading edge applications and delivery techniques for information dispatch to remote areas. The distribution network is continuing to be equipped with quality hardware to increase the efficiencies of our staff and thereby improve the customer experience.

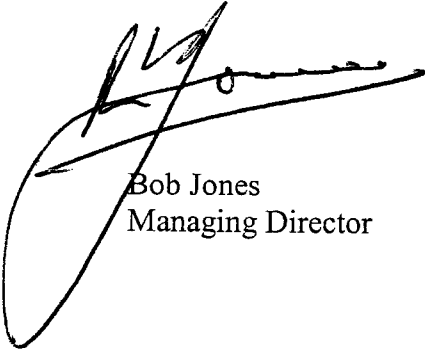
## Committed to the future

ERB remains as a key player in the agribusiness sector with Elders Ltd working alongside rural Australia since 1839. As a result of this unique link, ERB doesn't just work with rural Australia, it is a part of it, and therefore experiences first-hand many of the issues, problems and the many successes of our valued clients.

ERB stands by its customers through the good and not so good times – this is ERB's commitment to agribusiness and the communities of rural Australia.

Unlike many of its competitors ERB brings a new sense of commitment to banking. This is best summed up by the decision to re-invest every cent deposited back into rural Australia.

Yours faithfully

A large, stylized handwritten signature in black ink, appearing to be 'Bob Jones', written over a horizontal line.

Bob Jones  
Managing Director