

Ms Myrna Ellery's Statement to the Senate Committee

Ms Myrna Ellery: Thank you for the opportunity to appear at this important hearing. I've worked in the finance and banking sector for 40 years. In that time I've worked for three of the four big banks: Westpac, ANZ and NAB for the 10 years ending in early 2022. I've also worked for St George. I live in the Yass, New South Wales area.

My experience with the regional branch closures has been that the thin edge of the wedge is the practice of moving customers over to digital options very much often against their will. This is especially true for the elderly, people with English as a second language and people dealing with mental and physical disability. Not everybody has access to the internet. While you must have access to a bank account to receive a social security payment, rough sleepers and other economically disadvantaged Australians, including from Indigenous backgrounds, often don't have a smartphone or a web enabled device. Their only way to obtain money is to come into a branch. Not everybody is physically or mentally capable of using either an internet banking kiosk in the bank or the increasingly complex smart ATMs.

We live in a world where a bank account is now a fundamental necessity. It is unjust to deny some people access to banking services because head office thinks the cost of providing them with a service is uneconomic. Because of the unique service they provide, banks have a special obligation to look after their customers. They are no different in this regard from telcos and energy companies in my view. It should be remembered that banks were deemed an essential service during COVID. Australian taxpayers bailed the banks out by guaranteeing billions of dollars in deposits during the GFC. The Hayne royal commission showed how they repaid that favour, and it's just not good enough.

On the subject of the royal commission, targets, which we spoke about just now, are still part and parcel of the industry for banking staff. During my tenure with the NAB bank, I had to migrate a predetermined number of customers to online banking each month, whether they wanted it or not. As you can imagine, this became harder and harder to do, as the tech savvy pool of customers transitioned, leaving only those who, for the reasons I've already specified, wanted the personal service and support provided by trained branch staff. I always took great pride in helping people solve their problems and felt I was providing a valuable community service.

The not-so-hidden agenda about using concierges to shepherd customers away from the counter and onto the ATM or internet banking kiosk has always been to reduce the number of staff assisted transactions. This self-fulfilling prophecy can then be used as a justification to amalgamate some branches, reduce bank opening hours and close others. This is particularly hard on the residents of country towns and the people who live on farms and operate local businesses. Towns such as Tullamore and Trundle, in central western New South Wales, lost their banks many decades ago. They are up to an hour's drive from the nearest communities with operational bank branches. Other country communities such as Yass, where I live, lost their ANZ some years ago. Their Westpac closed last December and NAB is only open for half a day at a time. This has left the Commonwealth Bank in this community as the last full-service bank, and I suspect those days are probably numbered. In Cooma, to the south of here, NAB has also closed, in December 2022.

All of these towns, like most of regional Australia, have a disproportionately high number of elderly, Indigenous, disabled and impoverished residents. They feel the loss of their banking services very keenly and often have to pay significant transaction fees of up to \$3 for balance inquiries and withdrawals, to access their accounts through privately operated auto tellers. These costs can add

up to a significant amount over time. The other downside is that those residents with the ability to travel to a regional centre to access banking services will then do their shopping while they are there. This undermines the viability of local businesses and is just another step on the downward spiral.

The loss of its banks can be a death sentence for a country town, particularly for cash dependent businesses such as car washes, laundromats, newsagents and the like. What limited banking services are available through post office networks and many privately operated post offices are surviving on narrow margins, and there is no guarantee such services will even be available in two, five or 10 years time.

It is also important to note that, despite recent claims by Anna Bligh, CEO of the ABA, that almost all banking transactions can be completed at a post office—that's not the case. Try depositing or withdrawing a large amount of notes or coins, or negotiating a personal loan, a home loan restructure or a credit card application at a post office in a small country town. Good luck with that! You'll be told you have to go through the bank's online facility or ring their call centre.

This is even more important: post office staff are not trained bankers. Unlike professional bank staff, like myself, they've not had the training to identify things like money laundering, financial elder abuse, phishing and fraudulent transactions. This creates a massive loophole that circumvents all the work that has been done to protect bank customers in recent years.