



## Australian Citizens Party

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### MEDIA RELEASE

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## **Senate inquiry into regional bank closures comes to 'banking desert' South Australia. ACP will attend hearing in Kingston SE on Wednesday**

The state which has lost the greatest percentage of regional bank branches since 1975 will host the next hearing of the Senate inquiry on Wednesday in Kingston SE.

South Australia is a banking "desert", with many towns completely debanked and others left with only one bank to serve customers for hundreds of kilometres.

The most infamous example is Coober Pedy, where Westpac deceptively closed the only bank in town in February 2023, after writing to the Senate Rural and Regional Affairs and Transport Committee with a commitment that they would pause branch closures.

The residents of Coober Pedy now have a drive of 540 kilometres to the nearest bank in Port Augusta, at least two hours of which is through a mobile phone blackspot.

The locals report fearing for their security, and a rise in purchases of personal safes in a town that relies enormously on cash.

If Westpac hadn't deceived the committee, but had paused its planned closure of Coober Pedy, there's an excellent chance that Coober Pedy would still have its bank today.

That's because Westpac, under the scrutiny of the inquiry, has since reversed the closure decision on the eight branch closures it did pause, and announced those branches would stay open indefinitely.

This decision also confirmed that the banks are closing branches that are profitable, as Westpac would not have reversed the closure of a genuinely unprofitable bank.

The Kingston hearing will question BankSA, which will be represented by Westpac executives, who should be questioned about their deception that has left the town of Coober Pedy without essential banking services.

The hearing will also take testimony from the ARC Centre of Excellence for Automated Decision-Making and Society, which oversees the Digital Inclusion Index that shows around one quarter of all Australians are digitally excluded, including elderly, disabled, First Nations, and regional people.

Whereas all Australians will need a physical bank branch, and cash, at some time or another, such as during power and internet failures and natural disasters, a quarter of all Australians always need physical service and cash, because they are digitally excluded.

This represents a huge number of people being abandoned by the banks in their mad pursuit of maximum profits without service.

Another witness will be University of Wollongong Professor Andy Schmulow, whose testimony will show: the banks are untrustworthy; how other countries impose conditions on their banks to guarantee a basic level of services; and how Australia's banks benefit from taxpayer support, which they should repay by providing a service.

In his submission, Professor Schmulow observed: "Australian taxpayers provide crucial and highly valuable forms of support to the banking industry—and to no other industry—and have done so for generations. They guarantee bank liabilities, insure deposits, create and maintain a central bank, and have directly contributed some \$74 billion to bank profits over the past two decades.

"This forms the basis of a social contract between banks and the community.

"In return, the very least that we should be able to expect, is that banks support the communities that have supported them for generations", he said.

The Australian Citizens Party will also attend the Kingston hearing, as the party has attended every hearing so far.

ACP Research Director Robert Barwick said today: "The more the inquiry has learned, the more it has confirmed that the ultimate solution to this problem is to re-establish a government-owned bank, a People's Bank like the original Commonwealth Bank.

"If it provided full banking services through post offices, it would guarantee banking services to every community and force the major private banks to compete."

[Click here to sign the Citizens Party's petition for a post office people's bank.](#)

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