



Speech by

Hon. KEN HAYWARD

MEMBER FOR KALLANGUR

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BANK BRANCH CLOSURES

Hon. K. W. HAYWARD (Kallangur—ALP) (12.16 p.m.): Recently in my electorate of Kallangur there have been a number of bank closures. The Westpac bank at Kallangur has closed, as will the Commonwealth Bank. The National Australia Bank has closed at Burpengary and also will close its branch at Kallangur. Other branches are rumoured to be closing, and bank branches have closed in adjoining areas over a period, such as at Petrie and Deception Bay. When bank branches close in any area, such as Kallangur, this creates an inconvenience for local residents and businesspeople. Basically, there is a set pattern that takes place, and instructions are sent out to existing customers telling them that, should they require branch services, they are available at Burpengary, Morayfield or Strathpine. And in the case of an electorate such as Kallangur, many of those services are only a few minutes away. Meanwhile, ATM services remain where they were originally installed at the branch or are then placed at a convenient place somewhere within that local area.

My point is that even in a fast-growing area like Kallangur, bank branch closures are occurring and local residents are inconvenienced in many ways. To be fair, of course—if one can be to the banks—new branches are also opening as new shopping centres are developed. For example, I am informed and I understand that the Commonwealth Bank has something like 28 branches between the city and Kallangur, Suncorp Metway and the ANZ have something like 21, and the National Australia Bank has 14. But if banks are closing in fast-growing areas, what a tragedy occurs when banks close in remote or rural parts of Queensland where the population growth is not occurring and there is no possibility of a branch replacing it.

I am sure that many of my colleagues in this parliament have experienced the sense of frustration and, I think, helplessness which occurs when a bank branch closes. I think that as a parliament, however, we need to look at and examine in some detail these issues of bank closures and the effects such closures have on a local community, particularly local shopping.

What concerns me is that the unintended effects of government policy may be contributing to bank closures, particularly in rural and remote areas of Queensland; and I have taken the opportunity to speak briefly to the Treasurer, Terry Mackenroth, about the issue. The facts are that 63 per cent of bank closures have occurred in towns of less than 1,000 population, while towns with populations of less than 1,500 have a further 17 per cent of total closures.

As the situation now stands, it is a costly and financially expensive exercise for many customers to change banks, and I think this contributes substantially to making it easier for the bank hierarchy to close a bank in a rural or remote area; it is just too hard for an individual, once the bank leaves, to then change to another bank. For example, any business or rural property that has borrowed money and has that property—and in most cases everything else they own—secured by a mortgage, even when the branch closes it is too difficult for those businesses to change banks. It is expensive and time consuming and part of those costs are various government-imposed stamp duties on a mortgagable property, which arise because of the change.

I think that if those government transfer costs were not imposed when a customer changed banks to a local branch in a rural or remote community, it may result in a strengthening of banking activities in those rural and remote areas. My proposal may even have the effect of slowing closures in those areas as banks realise that customers—even business or farming customers; usually their larger and more profitable customers—would not be penalised by having to pay stamp duty for changing to a local branch after their existing branch left town or the district.

We have seen the rise of community banking in Australia as the banks have closed in rural and remote communities. I understand that this movement has been spearheaded by the Bendigo Bank in partnership with capital raised in local communities. There are certainly other successful examples. I am certain that there would be implementation difficulties with my suggestion to relieve local customers of stamp duty on property transfers should they wish to continue to bank locally. The problems, of course, are obvious. What should be the distance allowed between a closed bank branch and another branch? If the major banks know that it is more financially attractive to change banks, it may be more difficult to get a loan for a customer in a rural area in the first place. How much government revenue would be forgone by exempting certain mortgage transfers? Where would that money be found? Should a scheme apply only to the transfer of existing businesses, not to the establishment of new accounts? Should the exemption apply only if a customer transfers to a community bank from a closed bank branch?

Time expired.
