



Speech by

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BANK BRANCH CLOSURES

Mr LEE (Indooroopilly—ALP) (7.17 p.m.): Early last year, when the Commonwealth Bank partook in the biggest takeover in Australian corporate history—the \$7.5 billion takeover of the Colonial Bank—this virtually spelt the end for what many of us in the Indooroopilly area remember as the bank branch. After the takeover of Colonial, the Commonwealth Bank group late last year announced a net profit of \$1,135 million—an incredible increase of eight per cent compared to that of the previous period.

In light of such extraordinary profits, the Commonwealth Bank is now trying to set new records in my electorate. Over the past three months it has closed the Colonial Bank branch and now plans the closure of the Commonwealth Bank branch in the 4068 postcode area, which covers Indooroopilly and Taringa, forcing customers to do all their banking at the Westfield shopping centre.

It appears that it is not only those in the bush who are bearing the brunt of the extreme economic rationalist policies of our banking system. Those in our suburban communities are also being increasingly forced to accept branch closures and given no alternatives other than to conduct banking over the phone or via the Internet. Those lucky enough to actually find a bank branch these days are often made to pay extra fees for what appears to be regarded as a privilege to get face-to-face customer service.

Banks in Australia have simply gone too far. As customers, we should not have to put up with increasing bank fees and decreasing customer service. There needs to be some form of regulation to protect the customer from such exploitation. The current system suits only the top four banks. Increasingly, smaller banks are being taken over and branches of all banks are being closed down. According to a Reserve Bank of Australia bulletin, nearly 2,000 bank branches closed between 1990 and 2000. This is appalling. I believe that the federal government has a responsibility to ensure that this stops immediately.

I appreciate that to stay competitive in the banking industry mergers may, from time to time, be unavoidable. However, I do not believe that as a community we should sit back and watch the four major banks monopolise the market. We must create increased measures to prevent a unification of the banking system that is sure to manifest itself if the federal government continues to leave such matters as solely the responsibility of the Australian Competition and Consumer Commission. The federal government needs to take a more interventionist approach with the banks. It is not acceptable for banks to charge exorbitant fees and get away with it and it is certainly not acceptable for banks in rural, provincial and metropolitan Australia to continue to close branches simply because the banks make more money by customers conducting their business over the telephone.

It is time that the federal government took a serious look at its banking policy and forced the banks to adopt some degree of social responsibility which it is clear that they will not adopt voluntarily.
