



QUEENSLAND FARMERS' FEDERATION

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Submission

14 December 2021

Secretariat
Regional Banking Taskforce
Financial System Division
The Treasury
Langton Crescent
PARKES ACT 2600

Via email: Via email: regionalbanking@treasury.gov.au

Dear Sir/Madam

Re: Issues Paper: Regional Banking Taskforce, November 2021

The Queensland Farmers' Federation (QFF) is the united voice of intensive and irrigated agriculture in Queensland. It is a federation that represents the interests of 21 peak state and national agriculture industry organisations and engages in a broad range of economic, social, environmental and regional issues of strategic importance to the productivity, sustainability and growth of the agricultural sector. QFF's mission is to secure a strong and sustainable future for Queensland farmers by representing the common interests of our member organisations:

- CANEGROWERS
- Cotton Australia
- Growcom
- Nursery & Garden Industry Queensland (NGIQ)
- EastAUSmilk (formerly QDO)
- Australian Cane Farmers Association (ACFA)
- Turf Queensland
- Queensland United Egg Producers (QUEP)
- Queensland Chicken Meat Council (QCMC)
- Bundaberg Regional Irrigators Group (BRIG)
- Burdekin River Irrigation Area Irrigators Ltd (BRIA)
- Central Downs Irrigators Ltd (CDIL)
- Fairbairn Irrigation Network Ltd
- Mallowa Irrigation Ltd
- Pioneer Valley Water Cooperative Ltd (PV Water)
- Theodore Water Pty Ltd
- Eton Irrigation Scheme Ltd
- Pork Queensland Inc
- Tropical Carbon Farming Innovation Hub
- Queensland Oyster Growers Association (QOGA)
- Lockyer Water Users Forum (LWUF).

The united voice of intensive and irrigated agriculture



QFF welcomes the opportunity to provide comment on the Regional Banking Taskforce Issues Paper (November 2021). We provide this submission without prejudice to any additional submission from our members or individual farmers.

Role of the Taskforce

QFF notes that the Regional Banking Taskforce was formed in October 2021, to examine the impact of bank branch closures in the regions.

The terms of reference for the Taskforce were to:

- Analyse the trends in bank branch closures in regional and remote Australia;
- Assess the impacts of these branch closures on individuals, businesses, community organisations and regional industries (including business and land values) and determine accessibility issues and wider impacts on communities from these branch closures for banking facilities, services and products;
- Assess how banks transition their services and delivery models to communities where they have closed (or will close) branches;
- Identify alternatives to bank branch models that would maintain or improve banking services and accessibility in areas where branches have been closed and potential solutions to overcome accessibility issues where branches have closed.

The Issues Paper notes a significant decline in the number of bank branches in Australia recently. The number of branches in regional and remote Australia has fallen from around 2,500 to 1,900 in the four years to June 2021 (a decline of almost a quarter) with a 5 per cent decline in branches in the past year. There have been similar declines at a national level with bank branches declining from around 5,800 to 4,500 over the past four years.

Other bank face-to-face points of presence in regional and remote Australia (such as agencies) have declined from around 2,500 to 2,400 in the past four years, with Bank@Post numbers steady at around 1,900. While the number of ATMs has also declined, with the total number of active ATMs nationally having fallen by around 20 per cent since its peak in late 2016.

Background

Queensland's agricultural sector is a critical part of the economy, requiring access to high quality support services including banking and financial management products. For 2021–22, the total value of Queensland's primary industry commodities is forecast to be \$20.66 billion, made up of:

- \$16.09 billion gross value of production (GVP); and
- \$4.57 billion value-added production.

This total is 8 per cent more than for 2020–21 and 8 per cent greater than the average for the past five years. The largest contributors, by estimated GVP, are meat products, horticulture, sugar and cereal products. The sector also exports 58 per cent of all agricultural output which in 2020–21, was valued at over \$8.5 billion worth of agriculture and food products. We currently export to more than 200 destinations worldwide and our primary market is currently Japan followed closely by China.

Furthermore, farmers are huge custodians of Queensland's land area, occupying 1,459,400 square kilometres, or around 84 per cent of the state, signifying the rural and remote locations of many agricultural and agribusinesses.

Queensland Specific Concerns - Digital Disadvantage

The implication of closing physical bank branches is that individuals will transition to online banking and other financial service offerings.

In 2020, the Committee for Economic Development of Australia¹ (CEDA) noted that the shift to remote working and digital platforms during COVID was worsening inequality, particularly for the 2.5 million Australians not online. It also noted the risk posed to many others who may lose access or have access diminished as they lost employment or their businesses. Critically, the report noted that Australia must build on the rapid digitisation of human services brought on by COVID to assist at-risk and other vulnerable people during the recovery from the recession and deliver better services to the broader community.

Digital inclusion is necessary for people to be fully engaged in economic, social and civic life. Despite that reality, many Queenslanders remain significantly excluded from the digital world through lack of infrastructure access, affordability issues, or lack of ability to use technology². Queensland currently ranks fifth in Australia behind the ACT, New South Wales, Western Australia, and Victoria in aggregate measures of digital inclusion and has consistently done so without improvement since 2014².

Queensland also ranks lowest of those same states on digital affordability. This suggests that for the same expenditure on data, Queenslanders are experiencing poorer bandwidth due to affordability and more limited access options (such as reliance on satellite and mobile) than other eastern jurisdictions².

According to the Australian Digital Inclusion Index³ (ADII), digital inclusions (and exclusion) follow clear economic and social contours. Maintaining and improving digital skills takes time⁴. These skills also improve with use, which means people who use the internet regularly and in a variety of ways are more likely to score higher on this measure. And with these skills come the opportunities to benefit from digital technologies. Those with high Digital Ability scores are therefore better enabled to manage their health, access education and services, and organise their finances³. For those lagging on this dimension, including but not limited to older Australians, those with lower education and income levels and those living in regional areas (particularly Queensland's regional areas), these opportunities may be out of reach³.

The ADII shows that Northwest Queensland for example, is one of Australia's least digitally included regions. The ADII further suggests that farmers and farm managers tend to score more poorly in the Index than others in comparable circumstances, particularly on the digital ability sub-index. Additionally, people aged 65-plus have an average low ADII score (of only around 49 points). In the 2016 census, the average age of a Queensland farmer was 46 years old and the proportion of the workforce aged 45 years was 54.6 per cent, and the workforce aged over 60 was 24 per cent⁵. QFF understands that farmers in agricultural sectors such as sugar have a significantly older profile, into their late 60's.

Mobile and Digital Connection

Queensland has 2,984 mobile black spots impacting business, safety, and community connections. Mobile connectivity in Queensland is worse than any other Eastern state.

¹ See <https://www.ceda.com.au/ResearchAndPolicies/Research/Critical-services/Digitising-human-services>

² McKell Institute. (2021). Bridging Queensland's Digital Divide. See <https://mckellinstitute.org.au/research/reports/bridging-queenslands-digital-divide/>

³ The 2021 Australian Digital Inclusion Index. See <https://www.digitalinclusionindex.org.au/download-reports/>

⁴ A Marshall, A Dale, H Babacan, and M Dezuanni, *Connectivity and Digital Inclusion in Far North Queensland's Agricultural Communities: Policy-Focused Report*, 2019. Accessed January 7, 2020. <https://eprints.qut.edu.au/130869/>

⁵ Queensland Farmers' Federation. See <https://www.qff.org.au/blog/2016-census-shows-growth-queensland-agricultural-employment/>

QFF notes the federal government has committed \$380 million to the Mobile Black Spot Program to invest in telecommunications infrastructure to improve mobile coverage and competition across Australia, as well as the Connecting Northern Australia initiative (CNA initiative). However, QFF also notes that improvements required in infrastructure, particularly base stations have experienced significant equipment and installation delays⁶.

Fibre and cable networks are also not available in many regional and remote areas of Queensland, so local communities are reliant on satellite and wireless connections. As such many businesses and homes are unable to access good quality internet for the provision of banking services.

Other Considerations

In addition to going high quality food, fibre and foliage for Queensland, Australia and the world, the state's farmers provide direct services to their local communities, such as the sale of fresh produce as well as offering agritourism ventures. These activities require additional business and financial services from their banks. With digital disadvantage and the lack of mobile and digital connection, accessing cash for the purchase of goods from other retailers, and petty cash for customer sales is imperative. Additionally, there are community events charging small fees or taking donations which still rely on cash.

At this time, QFF does not support the closure of local bank branches as there are insufficient options to facilitate ongoing community and business support as digital connectivity and digital literacy is inadequate. We urge the Taskforce to consider who are we leaving behind of our community and why.

Yours sincerely

Dr Georgina Davis
Chief Executive Officer

⁶ See program update from 30 September 2021 at <https://www.infrastructure.gov.au/media-technology-communications/phone/mobile-services-coverage/mobile-black-spot-program> (accessed 14 December 2021).