



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
REFERENCES COMMITTEE

Bank closures in regional Australia

Public

THURSDAY, 18 MAY 2023

INGHAM

BY AUTHORITY OF THE SENATE

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RODDA, Mr Tim, Head, Local Banking Operations, Bendigo and Adelaide Bank Group

CHAIR: I now welcome Mr Richard Fennell and Mr Tim Rodda from Bendigo and Adelaide Bank. I understand that information on parliamentary privilege and the protection of witnesses giving evidence to Senate committees has been provided to you. Thank you for coming here today. You have an opportunity to make an opening statement, if you like, and then we'll go to questions.

Mr Fennell: Thank you to the committee for the opportunity to appear at this hearing this morning. I thank you for the invitation and the opportunity to discuss this important issue. I'll keep my opening statement brief, noting we sent our full submission to this committee last week in anticipation of our appearance today. As Australia's only regionally headquartered ASX 200 bank, Bendigo and Adelaide Bank shares a natural affinity with regional and rural Australia. Forty-seven per cent of our staff have home addresses in regional and rural Australia, our history and future remain based in regional Australia, and we continue to be an active participant in hundreds of rural and regional communities.

We see first-hand the critical role banking plays in supporting these communities to be vibrant, healthy and dynamic places to live and work. We remain committed to our regional presence and strive to be Australia's bank of choice, focusing on feeding into the prosperity of our customers and communities, not off them. Our branch network plays a critical role in us being able to achieve this purpose. We have Australia's fourth-largest branch network, with over 51 per cent of our branches located in regional and remote areas. We also have the largest branch network per customer of any Australian bank.

Since 1998, we've also had the privilege of partnering with local community enterprises to establish more than 300 community bank branches in cities, suburbs, rural and regional communities across the country. It's a model we're very proud of at Bendigo and Adelaide Bank and, by the end of this financial year, this model will have returned in excess of \$300 million in profits back into local communities since its inception.

Our bank's distribution strategy remains commercially driven by our customer's needs and preferences. When these change, so must our approach to delivering our banking services. Our bank also has responsibilities and obligations to 110,000 shareholders, who provide us with the capital to operate the bank, which means we must also consider the sustainability of our business and each of the relevant components of our business. Like every bank and most businesses, we're seeing an exponential increase in our customers moving to undertake most of their services online, with fewer customers using our branch based services. As a result, we must adapt and adjust our strategy to suit the changing times. This includes making the necessary investments in technology that support our online offerings and protects our customers using digital services. Whether we like it or not, the clear and growing preference of the vast majority of our customers is to transact online, and we must be able to respond to those needs with a competitive digital offering.

However, we do understand there is still demand from many customers to talk face to face, especially when they embark on more complex financial interactions. For this reason, one of our aims is to be digital by design but human when it matters. The cost of maintaining a significant bricks-and-mortar presence is substantial and, for this reason, we often need to assess the viability of our branches. It does mean there will be instances where branches will be closed. In some cases, however, we invest in changing the way our branches look, feel and operate to better suit our customer needs. For example, we've opened a number of larger community hub style branches, which, along with providing banking services, include spaces for local community groups to meet in a central and accessible location.

We do not make the decision to close a branch lightly and recognise our decisions don't always provide the perfect outcome for all customers and communities in which we operate. Each change to our branch network is assessed on a case-by-case basis, and we do undertake a rigorous commercial and social impact assessment prior to making a decision. As part of this assessment, Bendigo Bank considers a range of factors such as customers' transactional behaviour, a branch's proximity to other branches, the ability to attract and retain qualified staff, and the availability of other banking options within the area.

Of the branches we have closed between the 2018 financial year and this year, the 2023 financial year, 61 per cent of those branches were within five kilometres of another Bendigo branch and 82 per cent were within 10 kilometres of another branch. In closing a branch, our local team will work with customers to ensure they are aware of nearby banking options, including Australia Post outlets, who we've partnered with for more than 20 years and have recently extended our agreement until July 2028. In the case of our community bank branches, the community based company has responsibility for the decision to adjust or close their points of physical presence.

Therefore, it follows when the future of a community bank branch is under consideration, the community is intrinsically involved in that decision-making process.

Whilst not in scope of this inquiry, I do think it is important to mention the bank's recent agency site closures in my opening statement. While agencies differ substantially to branches and only offer basic banking services to customers, we understand some communities have been affected by the news of these closures. Bendigo Bank's agency model was established decades ago to supply limited banking services in areas where there was not enough demand to sustain a branch. This was long before the advent of smartphones, internet banking and even our relationship with Bank@Post services.

In recent times, our corporate agency model has come under increased commercial pressure and can no longer be supported in many areas. We've been actively working closely with impacted communities since the announcements to ensure transition is as smooth as possible. This has included Tim visiting impacted communities in person to discuss the closures and the options for customers to access services through other channels, including Bank@Post. At Bendigo and Adelaide Bank, we recognise that we have an important role in keeping communities informed on the decisions we make. This includes explaining the need for communities and their customers to bank with us, not just through us. This is why we've been working alongside our industry colleagues through the Australian Banking Association to adopt the new branch closure protocol by July this year.

Tim and I look forward to your questions and to the opportunity to share more about the role we play in providing banking services across regional Australia. Thank you.

CHAIR: Thank you, Mr Fennell. I'll start with Senator Rennick.

Senator RENNICK: Good morning—what's left of it. How many branches did Bendigo close in the last financial year?

Mr Fennell: In the last financial year, there were seven corporate branches and 12 community bank branches closed.

Senator RENNICK: Okay. Are you opening more than you're closing or are you closing more than you're opening?

Mr Fennell: We are closing more than we're opening. There's a net decrease in the number of branches.

Senator RENNICK: Where were those branches that you closed?

Mr Fennell: I have that data here. Bear with me.

Mr Rodda: There was a mix of branches that were closed. We've done some branches in Geelong, for example, where we had nine sites in Geelong. We closed three of them, but we still have five to six branches in the immediate area of Geelong. So there's been a mix. Our corporate site closures have mainly been in areas where we've had duplicate branches.

Senator RENNICK: Okay. Has Bendigo Bank been fined by APRA for misreporting services available at its sites? Is that true or not?

Mr Fennell: I don't believe we've been fined, no.

Senator RENNICK: Have you been picked up by APRA, though? Have you been misreporting services at your sites?

Mr Fennell: There was discussion around the reporting of sites and whether we should be including rural bank sites where we provide rural bank services through Elders branches. On the back of that clarification, going forward, we will not be including those sites in that data.

Senator RENNICK: Okay, thank you. What financial contribution does Bendigo make to the running cost of the community backed franchises?

Mr Fennell: We provide all of the revenue to community bank branch operations. It is a shared-revenue model, where, for the business that comes in through a community bank branch, we then share the revenue with that community bank. That revenue, in some respects, is fifty-fifty, particularly around the net interest margin we generate. For fees, where that revenue flows depends on who is doing the activity. The reality is that 100 per cent of the revenue generated by a community bank comes from Bendigo Bank, but it then provides revenue to support the community bank to pay for the costs that they incur in running the physical branch and employing the staff in that branch and also, assuming they are able to make a profit, to pay dividends to their shareholders and, importantly, return funds through community contributions to the community in which they operate.

Senator RENNICK: Of your 7,000 employees, how many actually work a corporate Bendigo Bank branded branch outside the capital cities?

Mr Fennell: I don't have that exact detail here. I do know that just over 50 per cent of our branches are in rural and regional Australia. We have approximately a thousand corporate staff in corporate branches, but we can come back with an exact figure for you, Senator, if you'd like.

Senator RENNICK: That would be great, thanks. Do you intend to open up more branches in the regions or, at this stage, are you just consolidating?

Mr Fennell: It really is a case-by-case basis. Community bank branches are the majority of our branches today. Of the around 430 branches we operate, around 300 are community bank branches. That is the primary model where we have been expanding our physical footprint over, probably, the last 20 years. The model is 25 years old now and that has been the main driver of the expansion of our physical footprint. There will be locations where community banks choose to open additional sites going into the future, I expect.

Senator RENNICK: You said in your opening statement that you have a digital-by-design approach. What difference is there between you and the four major banks, who also seem to have a digital-by-design approach rather than a smaller community-focused approach that will keep branches open and still value face-to-face service? Why should we think that Bendigo is any different from a major bank, given that statement on digital by design?

Mr Fennell: That reflects the fact that the vast majority of our customers choose to do most of their interactions with us digitally. The second part of that is equally important, and that is: human when it matters. That is a reflection that we believe that it is important to be able to provide face-to-face services when there are needs of our customers, such as more complex transactions generally. I can't speak for the four major banks, but, certainly, the fact that we have the largest branch network per customer base is a reflection of the fact that we take the need for that face-to-face customer interaction very seriously.

Senator RENNICK: Thank you.

CHAIR: Senator Allman-Payne?

Senator ALLMAN-PAYNE: Thank you for appearing before the committee. In your submission you noted your bank's closure process. Could you outline for us the difference between a branch closure process and an agency closure process versus a community bank? What I'm really interested to know is: what levels of consultation happen before the decision to close is made, and who is that consultation with?

Mr Rodda: I'll go in two parts. The consultation process, before the decision's been made, is done internally with our staff. That's through me; I'm based out of Bendigo. We work with our regional staff. We have a regional manager set-up where they look after a certain amount of branches each. I would lead that conversation with our regional staff, and, if the decision was made to look at a closure, we would consult with that internal group. The second we've made that call—

Senator ALLMAN-PAYNE: Is that before you've firmly decided to close?

Mr Rodda: That's correct, yes. We look at trending data over a five-year period. We take all our closures extremely seriously. We look at trending data from not only our growth and our profit but also our customer base—their habits—and everything from leases to refurbishments required. There's a whole range of protocols we follow.

If the decision is to close that branch, we go through it with our regional teams locally. We inform our staff first, because we don't want them hearing anything second-hand; we want to have a much-needed consultation with them one-on-one. And then we inform people like the local MP and local councils—we've just updated that document to include land councils and a few others. But before the decision, it's an internal decision only.

Mr Fennell: And what we look to do, within 24 hours of the staff being informed of that decision, is to try to get in front of as many of those local representatives as possible. The local council is usually first on that list for consultation or discussion, then other community groups.

Senator ALLMAN-PAYNE: Has there ever been an instance where you've initially made a decision to close a branch, and then, after you've had consultation with council and other community representatives, you've reversed that decision?

Mr Fennell: There has been.

Mr Rodda: Yes, we did that at Korumburra two years ago, down in Gippsland. We reversed that decision and had some community meetings, which I was a part of. We went down to Korumburra and met with a whole range of community hubs. We've kept that open. It's been going for two years since then. So that was the decision we made at that time.

Senator ALLMAN-PAYNE: We heard from an earlier witness that the approach they take is to look for ways and reasons to keep branches open, rather than to look for ways and reasons to close them. What is the approach of Bendigo Bank in relation to your branches?

Mr Fennell: That is probably a reasonable summary of our approach as well. We are not out there with set targets of closing a certain percentage of our branch network or a certain number of branches within a particular period. We do look at a range of factors, as Tim has outlined, and from a community bank perspective, I can add to Tim's description of the approach we take. They are intrinsically linked with the community by the nature of their local boards, who are members of the local community. Any decision that they make is intrinsically linked to the local community. Although that formal consultation of meetings may not happen until post the final decision, the community is, in effect, very much linked to those decisions.

Senator WHITE: In your written submission you've said that in recent times you found it difficult to start up community banks in regional areas. Do you want to elaborate on what the factors are?

Mr Rodda: When we first started the model back in 1998, at Rupanyup and Minyip, the capital required from the local capital to be raised was in the order of about \$250,000 to \$300,000. For business on the books through our lending deposit books, we needed roughly about \$20 million to \$25 million to make it a sustainable business, to get to profit and to give it time to grow. With the change of banking and the way margins have ever retracted, we're now looking at upwards of \$1 million to \$1.1 million in local capital, and we're also looking at a business on the books of anywhere between \$90 million to \$100 million in start-up. That would have to be an equal split of lending and deposits, and that has made it extremely difficult for some communities. We're heavily aware that we don't want to put local capital at risk so we're very vigilant about what we do there because it's local people who would lose their money if it went under.

Senator WHITE: You mentioned that Korumburra was one where you reversed it, but you point out that although you reversed it, it's still not on a good trajectory. Is that still on your watch list? I think what you said is, 'They bank through us, not with us.'

Mr Fennell: Maybe I could explain that a little bit more. When the community groups came together for the discussions in relation to that, and we sat down with five community leaders representing different community groups, they were very passionate about us keeping our branch in Korumburra. When we asked them how many of them actually banked with us, it was one of the five.

What we do find in many situations is, because we provide fee-free cash services, many people are happy to have a deposit account with us and use us for, in effect, cash-clearing services while they may have the rest of their banking with another ADI—particularly for their lending. That puts us in a really difficult position—we don't want to start charging for those services, because they're important services to provide, but it's very frustrating when we're effectively acting as a cash-clearing house in some cases for customers who choose to have the rest of their banking elsewhere.

Senator WHITE: We heard this morning that Bendigo shut the Ingham branch. What type of branch was that?

Mr Fennell: It was a traditional branch. The issue with Ingham was that, again, we struggled to attract enough business. At the time of closure, we had around \$10 million of lending on the book. That's a very, very small branch. We also had issues with staffing and attracting staff here in Ingham. We were having to bring staff up regularly from Townsville to supplement the staffing needs here. Like in a lot of places, there was also a downward trend in inactivity in branch. We're averaging around 50 transactions a day. For a traditional branch you need at least two staff in the branch at any point in time for safety reasons and risk-management reasons when you're handling cash. Unfortunately, it was just an unsustainable commercial position there.

The reality of closing that is difficult in a location like this. Yes, we have branches in the region, one in Tully and three branches down in Townsville, but that doesn't replace the services here. We recognise that. We do have mobile relationship managers who support customers in this area. We have agribusiness relationship managers who support our customers in this area. We recognise that's not the same as a branch, but, unfortunately, it was just not a commercially sustainable operation.

Senator WHITE: Your last recommendation is: subsidise regional Australia Post cash delivery services where costs can be higher. Can you elaborate on what you mean by that?

Mr Fennell: The reality of providing cash services through any operation in remote areas is very expensive. Australia Post provides a really important service in regional and rural areas, particularly where there are no branches in those locations. We do think there is an opportunity for Australia Post to potentially increase the availability of cash services through the amount that is available for withdrawal or deposit, but we recognise

they'll be suffering the same challenges in relation to cash delivery to those locations. And so the recommendation is a consideration to, potentially, provide a subsidy to them to be able to provide for those services which, I understand, are provided by a private operator.

Senator WHITE: I have just one final question. In that Regional Banking Taskforce, the ABA committed to updating the branch closure protocol. Has your bank been involved in that updating, or do you already do these things?

Mr Fennell: We already met the vast majority of the requirements through that protocol, and, certainly, when this comes into place on 1 July, we'll make sure we are meeting all of those requirements and any of those that we weren't already meeting.

Senator WHITE: You're probably the odd bank out, though, aren't you? The other four don't have as much of a customer focus. Do you think these voluntary codes of conduct by, basically, the banking employer group are a real way to enforce something as significant as a social licence?

Mr Fennell: I can only speak for our bank. Certainly, we take those codes very seriously, and we have no appetite for breaching regulatory or code requirements in our risk appetite, and so we do take that very seriously.

Senator WHITE: What's the penalty for breach of a voluntary code?

Mr Fennell: The breach of one of our risk appetite aspects, which includes the breach of the requirements of the code, would certainly have an impact on the individual with management responsibility for that area.

Senator WHITE: But breaching the code itself doesn't give any penalty.

Mr Fennell: No, not a financial penalty that I'm aware of, but certainly a reputational penalty.

Senator WHITE: Does it, really? I mean, seriously!

Mr Fennell: We take our reputation very seriously.

Senator WHITE: You do. Your ethos is customer focused, right? You said that.

Mr Fennell: Yes.

Senator WHITE: I'm not convinced the others are customer focused.

Mr Fennell: I'm not sure I'm the best person to answer that.

Senator WHITE: No, you're not. That's a comment by me. Thank you.

Senator ROBERTS: Thank you for appearing here today. What's the total number of employees that you have?

Mr Fennell: Nearly 8,000.

Senator ROBERTS: How many of them are in community banks versus corporate banks—is that the right term?

Mr Fennell: Corporate branches? We've got about 1,000 in our corporate branch, and, I think, a couple of thousand through community banks.

Senator ROBERTS: Where are the rest?

Mr Rodda: Head office locations and back office support.

Senator ROBERTS: You also said—correct me if I'm wrong—that you have the largest branch network in the country?

Mr Fennell: No, we have the largest branch presence per customer.

Senator ROBERTS: Bendigo Bank—corporate—has 75 Bendigo Bank branded regional branches outside the capital cities. Is that correct?

Mr Fennell: That sounds right, yes.

Senator ROBERTS: That's fallen 25 per cent from 2017 when it had about 100. Is that correct?

Mr Fennell: Yes, that's correct.

Senator ROBERTS: You've come under criticism from the media for errors in your reporting of points of presence to APRA. Is that correct?

Mr Fennell: Yes.

Senator ROBERTS: As I understand it, what that means is that APRA's data on points of presence has been wrong. That has been wrong in your case since the very first year it started.

Mr Fennell: Yes. One of the things that we are wanting to make sure is there of is absolute clarity around that points of presence data going forward. As I mentioned in one of the earlier questions, we were including our rural bank offering, which was through Elders branches. We have in-house staff members providing rural bank services, lending and deposit services out of Elders branches, which goes back to the origination of Rural Bank, which was a joint venture between Elders and Bendigo Bank.

Senator ROBERTS: As I understand it, the corrections were made to APRA's database but they were done quietly. No-one knew about it.

Mr Fennell: Well, when we were informed that our interpretation was incorrect, we made the adjustment.

Senator ROBERTS: When? When were you informed of that?

Mr Fennell: I'll have to take that on notice.

Senator ROBERTS: Was it after I started asking questions in Senate estimates recently?

Mr Fennell: Look, again, let me take that on notice. I don't have the exact date.

Senator ROBERTS: Let's look at something contrarian. Has Bendigo considered breaking from the herd and opening more branches in the towns that other banks are abandoning? Wouldn't that be a great commercial business opportunity?

Mr Fennell: Historically, that has been a key driver of our community bank network. If we go back to the very first community bank set up in Rapunyup and Minyip in the Wimmera, that was the driver of that. That has been, as I say, a key driver behind the more than 300 community bank branches that exist today. That continues to be a potential driver of additional branches being open. Branches being opened today through the community bank network tend to be second or third branches to existing community bank companies. The reason for that, as Tim mentioned—

Senator ROBERTS: What do you mean by that?

Mr Fennell: A community bank enterprise sets up with an initial branch, almost always just one branch. As they become successful, some of those community banks then choose to expand their physical footprint into neighbouring towns or suburbs, depending if they're in a city or in a regional location. That has been a significant driver of the expansion in more recent years in the community bank network. To give you some idea of that, although there are over 300 community bank branches, there are closer to 200 community bank enterprises, which indicates there are a number of them with multiple branch locations. The risk and requirements to set up a community enterprise from scratch, the amount of capital required and the amount of business required mean it is less likely we will see new community enterprises set up. But where a last bank leaves town, it is certainly quite possible that we'll see community banks look to step in and open a physical point of presence there.

Senator ROBERTS: So that's community banks generally, not just Bendigo affiliated?

Mr Fennell: Yes, correct. But I'm talking about our community bank network there. I can't talk for other community banks, but I would have thought that would be a similar situation.

Senator ROBERTS: Now, I'm not sure of the details in particular but apparently in Queenscliff, Victoria, that branch was shut down rather than shutting down a branch in Ocean Grove that has currently banks from Commonwealth, NAB, Westpac and ANZ. Why would you do that?

Mr Rodda: The Queenscliff branch—I am from down that way originally—is very close to our Ocean Grove branch and it was getting used very seldomly. The transaction levels are not necessarily a driver of profit. We had staff there who had to work between the two sites and we were working through a very, very limited customer base that were not coming into the branch. We did, and have to this day, maintained a connected communities model there, which is a community giving model. So the business at Queenscliff generates a profit for a community board that they give their money out to community groups, sporting groups, local charities and so forth. But the branch itself was just not sustainable. It really was not getting used at all. We thought Ocean Grove being the busier branch would make sense. But the Ocean Grove branch has a strict responsibility to service Queenscliff through things like mobile banking. The branch manager has responsibilities. We have very, very clear calling programs to our customers for health checks and so forth. So although we left Queenscliff just down the road, we have not left our responsibilities of that branch at all.

Senator ROBERTS: I'm told that when Alexandra, again, in Victoria, was told that it was losing its last bank, which was NAB, Bendigo Bank said that a community bank was not an option, and the only suggestion was an agency of an existing community bank, for the reasons you mentioned a little while ago.

Mr Rodda: We have an agency there currently which is not going anywhere. We're not looking to close that agency at all. It is a community bank. But for the branch, you would have to see some substantial increase in the agency business on the books before we would consider going down the conversation path.

Senator ROBERTS: Correct my ignorance if I'm wrong but an agency is part of a community bank that's expanded?

Mr Fennell: This particular agency is linked to it, to a community bank, so our agency—

Senator ROBERTS: What's an agency?

Mr Fennell: An agency is a very limited service provided in a different business. It might be a local newsagent. In some cases, though, councils have them. So it is effectively a secure area in that business where someone can undertake basic banking services like take deposits.

Senator ROBERTS: Do you mean like a Post Office bank?

Mr Fennell: It is very similar to Bank@Post.

Senator ROBERTS: Something interesting I found in your submission was you mentioned values based capitalism. What do you mean by that? Because I've seen values based capitalism used somewhere else and I won't be complimentary; it was complete crap. That was by the Treasurer. It was waffle and buzzwords, nothing concrete.

Mr Fennell: When we talk about values based capitalism or a shared value model, we operate as a commercial entity in a very competitive banking environment. However, what we look to do is to actually give back to the community, and that is largely through that community bank model. As I mentioned earlier, the revenue that community banks generate is from the bank. That has been the basis of, as I mentioned in my opening statement, by the end of this year, well in excess of \$300 million going back in community grants and sponsorships to local communities. We see that as values based capitalism in that it is value going back to local communities through the performance of a commercial business. We see a virtuous circle in that Senator, in that as we give back to local communities, hopefully communities understand that if they do more business with us, then that will lead to more profit being reinvested back into their communities.

Senator ROBERTS: So there's value for the community?

Mr Fennell: That is correct?

Senator BROCKMAN: Community banks have been a real lifeline for regional communities. At what point did Bendigo realise that the model was becoming less sustainable?

Mr Fennell: I wouldn't necessarily describe it as not sustainable. Of the community banks that are operating today, there have been certainly less than 10—it's probably more like around five—that have been unsuccessful and had to close operations. Out of more than 200, we think that's a pretty good strike rate. We are never happy when any are not successful. But the reality is, with margins today in the banking industry probably close to half of what they were back 25 years ago when this model first started, continuing to grow that model from a physical distribution perspective is becoming more and more challenging. I was in Brisbane two days ago with the representatives of the Queensland community bank network. They are certainly very positive about the future of the model, and they see great opportunity for future growth. I believe the model is highly sustainable on a forward view.

Senator BROCKMAN: If a new community wants to come on board, is the pathway to community banking open?

Mr Fennell: The pathway for a new community to open a community bank is certainly always open. However, the reality is, when we sit down with members of that community and to explain what will be required to work through the process to establish a sustainable community bank from scratch, it is rarely the case where that community feels they have the capabilities to necessarily raise the capital required from local community members and commit to the amount of business required on the books for the business to be sustainable and profitable on an ongoing basis. That's less challenging where it is the establishment of a second or third location for an existing community bank that already has a sustainable business.

Senator BROCKMAN: This is my final question: is there anything that you've looked at that would make a bank more financially viable and more accessible to new communities?

Mr Fennell: I'm not sure there's anything that immediately springs to mind other than some form of subsidisation, and that's not the way we look to operate. It's not the history of this model. We believe this model needs to be commercially sustainable and able to stand on its own feet. The reality is we need the community to get behind that model. If a third party were to put in significant funds to support that, that wouldn't necessarily

align the community to bringing their business to support that community operation or encourage them to put their capital at risk.

CHAIR: I have some quick questions about your recommendations because we do need solutions. Why are you singling out the subsidisation of cash deliveries? What's so important about that subsidy above and beyond other costs of having a regional bank?

Mr Fennell: It's not necessarily so much from a regional perspective; it's more around remote locations where that becomes a more significant element. We know from our own interactions with our cash service provider that the costs of providing those services are increasing well beyond the rate of inflation. We'll watch with interest what happens with a potential merger in relation to the two largest providers in that industry.

CHAIR: You've spoken about Australia Post services. Would they recommend that their support for small business and community organisations should be expanded? Is there anything in particular you think they should do?

Mr Fennell: There's the ability to provide a broader range of business services. For example, right now for us we offer reasonably basic services in relation to signatories. Quite often with those sorts of services you need multiple signatories and the like, and in some cases Bank@Posts aren't set up with the knowledge and experience to manage more complex business-type transactions.

CHAIR: Your first recommendation is on the ability to reproduce APRA points of presence data. I didn't quite understand that exactly. What do you need or what needs to be improved there?

Mr Fennell: We just need to make sure there is absolute clarity. Getting back to Senator Roberts's comments, clearly we made errors in how we were interpreting that, so we're just looking to make sure there is absolute clarity so that all banks are providing data on a common basis and there is no misunderstanding of that data.

CHAIR: Is that the clarity around definitions?

Mr Fennell: Correct.

CHAIR: Okay. And I presume you're involved in the review; you're contacting APRA about this directly.

Mr Fennell: Yes.

CHAIR: Great. As there are no further questions, thank you, Mr Fennell and Mr Rodda, for your time. I'm not sure if you took anything on notice, but if you did, or if you need to provide further information, we're asking for that to get back to us by 1 June 2023.