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Senate Standing Committees on Rural and Regional Affairs and Transport
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Senate Inquiry into bank closures in regional Australia

24 September 2023

COTA Tasmania thanks the Senate Standing Committees on Rural and Regional Affairs and Transport for providing us with an opportunity to submit our thoughts to the Inquiry into Bank Closures in Regional Australia.

This submission follows that made by our partner, COTA Australia earlier in the year.

Ageing Demographic

lutruwita, Tasmania, is the oldest, and its population structure is ageing the fastest, of all Australian states or territories. The 2021 census saw Tasmania reach a population of 557,571 with 40.9% being over 50 years of age. Of that, 116,642 are aged 65 years or over (20.92%).ⁱ This brings with it huge opportunities, with older Tasmanians continuing to contribute to and shape our communities. However, with the rise in online platforms and systems evolving at a rapid pace, there is a large cohort of older Tasmanians that have not learnt or grown up with the online world and who are increasingly feeling disconnected and unheard. This impacts greatly their confidence and accessibility to banking systems that are increasingly provided online.

Digital literacy and accessibility

Some 50% of Tasmanians aged 65+ are digitally excluded or highly excluded and, despite current programs, the situation is deteriorating rather than improving with the gap between Tasmanian and national figures for digital inclusion rising from 2.5% in 2015 to 5.1% in 2021.ⁱⁱ

“Phone numbers are needed there is too much reliance on the online world”

Community participant, COTA Tasmania’s H.E.A.R Consultation, 2022

Coupled with these figures, Tasmania has a high proportion of adults with low functional literacy, creating a significant barrier when navigating services and supports. 48% of Tasmanians do not have the literacy and numeracy skills they need for life in a technologically rich world.ⁱⁱⁱ



In vast areas of regional Tasmania, we continue to have unreliable internet access, persistence of blackspots or patchy and unreliable services and bandwidth. This therefore creates issues for consistent access to online platforms, and coupled with existing digital inclusion issues mentioned above, means that Tasmanians have a greater need for face-to-face services to ensure adequate support with their banking needs.

“Telstra and NBN services are absolutely woeful outside larger cities”
Survey respondent, COTA Tasmania’s H.E.A.R Consultation, 2022

Concerns – financial elder abuse

We also have concerns that due to increased bank closures, older Tasmanians may need to rely more on family and friends to maintain their banking needs, and the potential vulnerability this may create. The recent National Elder Abuse Prevalence Study^{iv} found a high proportion of perpetrators of financial abuse had intergenerational relationships with the victim.

Lack of appropriate transport – rural Tasmania

With smaller bank branches closing, many older Tasmanians are having to travel further to access face to face banking options. For many that no longer drive, or feel safe driving longer distances, they need to rely on friends, family or public transport. Accessible and affordable transport options in Tasmania’s rural areas are not always reliable, timetables not frequent. Bus regularity and appropriate shelters that people felt safe waiting at were raised at both community conversations and through our H.E.A.R Consultation surveys last year

Future concerns

Following moves by other large banks, Macquarie Bank announced recently it will phase cash out across its branches in 2024, and by November of the same year, the bank won’t accept cash anywhere. This is extremely worrying to COTA Tasmania and will create issues for many in our community, especially those older adults who are not linked digitally to the apps needed now to bank online and for those who do not feel confident using ATMs. As a commercial enterprise, banks make decisions based on financial measures, but we cannot underestimate the social contribution that physical branches make to our communities, especially in regional areas. The move to digitise everything is creating an inaccessible society which excludes people based on their confidence, skills and uptake of new technology – and is therefore fast becoming a society that does not reflect everyone.

Proposed Solutions

Personalised 1:1 support

Banking institutions should fund digital literacy and education programs to support vulnerable people to gain confidence, skills and knowledge in navigating technology platforms. Greater resources in plain English coupled with this ongoing support must be part of any proposed bank closures, especially those in regional areas.

The Australian Government's *Be Connected* initiative provides resources and advice with the aim of increasing digital literacy, including familiarity with online banking. However, these current options of structured, time limited, group 'how-to' workshops, and on-line courses are of limited use to those with no or very limited digital competence and/or confidence.

Through our IT peer support program trialled in Tasmania, the majority of people accessing assistance did so due to a lack of confidence in navigating services to find help or poor experiences in group settings previously that did not match their needs.

Personalised, one-on-one support programs recognise and adjusts for each individual's 'safe space', physical and cognitive capacities, learning pace and overall learning goals and has far greater success when supporting older people with learning technology skills and should be prioritised.

Community education

Increased community education and awareness to protect older Australians from online scams, which are increasing as technology uptake increases, should be prioritised. Many older Tasmanians have told us of their concerns about going online to interact with services or to complete online shopping tasks, for fear that their information will be misused. With the right knowledge, pitched in an inclusive way, older Tasmanians can build their confidence to go online.

Internet Coverage

Investment in greater internet coverage and connectivity in rural and regional areas requires increased commitment. Bank@Post must be negotiated and made available in rural areas impacted by bank closures, that way providing a secondary trusted resource to community members.

Summary

Face-to-face banking options are a vital service that should always be available to ensure inclusive, accessible and safe banking facilities within local communities. We strongly urge

the Inquiry to look into these issues within a holistic, systems framework to ensure that the social connection and support provided via banking services can be maintained, thereby assisting older Tasmanians to maintain independence and age well within their own communities.

“Pushing too much to have all services online and cashless. Everything is becoming too reliant on IT – people like face to face.”

Community participant, COTA Tasmania’s H.E.A.R Consultation, 2022

COTA Tasmania
September 2023

ⁱ [Australian Bureau of statistics, 2021 Census](#)

ⁱⁱ [Australian Digital Inclusion Index](#)

ⁱⁱⁱ [26TEN](#)

^{iv} [Elder abuse in Australia: Financial abuse Findings from the National Elder Abuse Prevalence Study 2022](#)

For reference – [H.E.A.R Active Ageing Consultation, 2022](#)

Patron

*Her Excellency the Honourable Barbara Baker AC,
Governor of Tasmania*