

## **OPENING STATEMENT**

Shayne Elliott, ANZ CEO

Appearance before Rural and Regional Affairs and Transport References  
Committee

Senate inquiry into bank closures in regional Australia

20 September 2023

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Thank you for the opportunity to appear before you today.

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With me is Katherine Bray, Managing Director, Retail.

Katherine has overall responsibility for our branches and the other ways that we serve our customers.

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No doubt you will have heard a lot of statistics today about how customers are changing the way they bank and how banks are responding. I don't imagine our data is very different to anyone else's, but what is different is the way ANZ goes about our business and how we drive value for Australians.

ANZ is almost 200 years old, and while on the face of it we may look very similar to our peers, our business is vastly different. ANZ operates in 30 markets around the world, connecting Australian businesses and people, many of them in regional areas, with global opportunity.

We are well known for facilitating the flow of goods and capital to and from Australia. And I like to think we do that pretty well. Around 60% of all the money flowing into Australia from trade or capital flow is processed through ANZ. We are the biggest provider of banking infrastructure to other banks in Australia that allows them to compete and offer their customers services like real time and international payments.

Our business servicing households and small businesses here in Australia is the smallest of the big banks and in fact, is around half the size of CBA and Westpac. From that perspective, we are actually closer in size to Bendigo or Macquarie Bank.

I only mention that because by definition, it means we have to compete differently.

We absolutely want to grow our business serving households and small businesses across Australia, including in the regions – it's one of our top strategic priorities. But we don't have the scale or advantages that others have, and so we are pursuing a strategy to bring services to where customers predominantly want to bank - in their home, at their place of business or online.

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For clarity, ANZ today has a network of 390 branches across Australia. Of these, 140, around a third, are located regionally. We spend \$665 million a year to support this network.

ANZ also has more than 2,500 mobile lending and business bankers across Australia, including more than 300 based in the

regions, who can meet with customers at a place and time that suits them.

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As we have heard today, the development of digital services has transformed the way customers interact with businesses across industries. We partnered with researchers at the University of South Australia to understand the impact to older Australians. They found that most older people like and accept the online banking environment and that Australians over 65 are responding in line with younger cohorts in adopting digital banking. Some, such as those with hearing loss, are particularly embracing online banking and rarely use local branches for transactions.

The research reflects what ANZ sees in our own customer base. Our retail banking team have made more than 60,000 calls to customers aged over 65 to assist with digital banking. Through those calls we identified that more than 90 per cent of these customers use at least one self-service option to do their banking, such as our ANZ App, internet banking or ATMs. Almost half a million ANZ customers over 65 years of age are already digitally active.

While most customers prefer digital channels for many of their transactions, branches continue to be important.

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We know that closing a branch can have a big impact on communities and we do not make that decision lightly.

When we *do* make the difficult decision to close a branch, we work hard to support our employees and our customers.

The initial step after a decision is made involves advising our people. We believe they deserve certainty concerning their roles with the bank.

And it's for that reason that we have been concerned about models involving community consultation before a decision is made to close a branch.

We are concerned that a public consultative process would be unsettling for our people.

We try very hard to look after our staff when we close branches. Re-deployment has proved popular with many of our people, including through the provision of remote working options. For those that do choose to leave the Bank we have generous redundancy provisions and we provide grants of up to \$10,000 for new career training.

Now once we have told our staff, we then work with our customers.

Our dedicated Customer Care team calls customers who have used the branch at least twice in the last six months, or who are aged over 65. We check in with these customers and help them move to alternative banking methods, including digital, if that's what they want.

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We are always looking at ways to better serve our customers.

Since 2021, our customers have had more ATMs to access for free through our agreement with Armaguard and their network of ATMs. Our mobile lenders are able to meet customers at their home, business or farm including outside of business hours and on weekends. Customer satisfaction is high for this service, with a net promoter score above 90%. And we have strived, but not yet been successful, in reaching a fair and proportionate agreement with Australia Post to use the Bank@Post services.

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In closing, I would like to assure the Committee that, as we have done with the Regional Banking Taskforce, ANZ is committed to working constructively with you to support Australia's regional communities.

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Thank you and Kath and I welcome your questions.

**ENDS**