

# CBA puts branch closures on hold

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**John Kehoe**  
Economics editor

Banks are under political pressure to follow Commonwealth Bank of Australia's decision to pause regional bank closures while a parliamentary inquiry is held this year.

The Senate inquiry will respond to the announced closure of more than 80 branches – in cities and regions – since September last year.

The chairman of the Senate committee on Rural and Regional Affairs and Transport, Matt Canavan, said CBA's announcement was welcome news.

"Other affected towns now can have hope that the other banks will follow the Commonwealth's lead, do the right thing and pause any closures while local communities have their say," Senator Canavan said.

"All of the major banks support the Voice to parliament. Now is their chance to show that they have a commitment to listen to the voices of regional Australia, including Indigenous Australians impacted by their impending closures."

Gerard Rennick, Liberal National Party senator for Queensland, who helped instigate the inquiry last week, called on other banks to adopt the move by CBA.

ANZ, National Australia Bank and Westpac could not immediately say if they would follow suit.

Banks have justified the branch closures by arguing that more customers are banking online and that the use of physical branches is decreasing.

The Senate inquiry adds to political pressure on the banks, which are already feeling the heat over mortgage rate increases and for not passing on interest rate rises to all depositors.

Treasurer Jim Chalmers has asked the competition watchdog to investigate deposit pricing.

Separately, the House of Representatives economics committee will call the big four bank chief executives to account regarding interest rates on deposits and loans, and how they are treating vulnerable customers amid the cost-of-living pressures.

CBA's decision means its planned closures of the Bright branch in Victoria and Junee in NSW will not go ahead for now.

A CBA spokesman said: "Following consideration of a request from the Senate committee, CBA will not close any regional branches while the inquiry is under way in 2023.

"As an additional sign of good faith, while the inquiry is under way in 2023, CBA will postpone the closure of two

branches already announced. We continue to welcome constructive engagement with government, industry and communities – an approach demonstrated by our recent work with all members of the regional banking taskforce.

"CBA looks forward to assisting the inquiry, and continuing to engage with our customers and communities, as we collectively respond to the digitisation of the economy and banking services."

The announcement by Australia's largest retail bank comes two days before CBA chief executive Matt Comyn faces investors and journalists to deliver the bank's half-year profit result tomorrow.

The Australian Citizens Party, which wants the government to set up a public bank similar to New Zealand's Kiwibank, lobbied MPs and senators to establish the inquiry.

Finance Sector Union national secretary Julia Angrisano said the union had been calling for an inquiry into the branch closures as banks continued to reduce their outlets.

"It is clear that cutting the branch network is being done to reduce costs and maintain profits," she said.

"We know that regional communities are doing it tough without access to banking services."