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Title of Research:
Chasing the money story: An evaluation of the Tangentyere Bank Pilot Project and its relevance to Indigenous communities in central Australia

Research Publication:

Name of Researcher(s):
S. McDonnell

Time period:
2002

Geographic location:
Alice Springs and central Australia

Methodology:
This paper is based primarily on a period of fieldwork conducted in Alice Springs (NT) and central Australia in September–October 2002. During this time interviews were conducted with a large number of key stakeholders in Alice Springs, including staff of Tangentyere Council, Aboriginal and Torres Strait Islander Commission (ATSIC), Westpac and Centrelink. In addition, formal surveys were conducted with Aboriginal people in the Alice Springs and in a number of central Australian Aboriginal communities.

Aims:
This paper is a report on the evaluation of the Tangentyere Bank Pilot Project, which was established in 2000 as a joint initiative between the Tangentyere Council in Alice Springs and the Westpac Bank, Centrelink and the then Commonwealth Department of Family and Community Services (DFACS).

The Pilot Project was a 12-month project to help Tangentyere clients move from cheque-based to electronic banking.

Selected findings and insights:
The paper provides a detailed account of the operation of the Tangentyere Bank Pilot Project, as well as background information on the Council’s clients, who are located in the 20 town camps in and around Alice Springs. Two issues identified in this background information are pertinent:

- 2001 Census figures indicate that 60% of Indigenous people living in the town camps had an educational level of Year 8 or below, with only 3 people having completed Year 12 or equivalent education. This low educational level impacted on the extent to which Indigenous people could effectively access banking and financial services, and the types of literacy training that might be suitable.

- The weekly individual income of almost all town campers (87%) was less than $200 per week, with 13% of people recording an income of less than $120 a week. As a result holding deposits in bank accounts were likely to be very low. This affected the potential impact of fees charged by banks for services and the overall profitability for banks of bank accounts held by town camp people.
The evaluation report examined the role of financial literacy programs in aiding the transition from cheque to electronic banking. Consistent with the above 2001 Census data, surveys had supported the finding of very low financial literacy skills and hence difficulties with using electronic banking services.

During the Pilot Project the financial literacy training provided by the Tangentyere Council, using the banking agency's Aboriginal liaison officers, was considered successful in that many of the problems earlier associated with electronic banking had been overcome, and people tended to have an 'informed' understanding of how to use banking technology.

- The study identified a small number of Indigenous people who were unable to effectively use electronic banking services, regardless of financial literacy training. These people continued to need face-to-face banking services.
- Despite several initiatives to minimise fees charged, there were a significant number of low income Indigenous people who were paying a large portion of their income on bank fees or who were caught in keycard related book-up and overspending. Both issues could result in Indigenous people being worse off from electronic banking. The paper provides a series of recommendations to deal with this unintended 'welfare' problem.
- However a significant benefit of electronic banking was that it enabled easier access to funds for a highly mobile Indigenous population, rather than them being restricted by cheque-based banking.
- Electronic banking was a cost-saving exercise for government due to the very low costs incurred in the electronic delivery of welfare payments. The extent to which DFACS should be responsible for literacy training costs rather than the Tangentyere Council is explored in the paper.

In regard to remote communities, the paper identifies two issues:

- The very limited access to banking facilities for the large majority of Indigenous communities in central Australia – of 24 central Australian communities surveyed, only one had access to more than EFTPOS in a local store. The paper develops options for addressing the need for banking services available for remote communities through partnership arrangements involving financial institutions, Centrelink, the Tangentyere Council and other Indigenous institutions.
- The need to develop mobile training services to provide basic financial literacy skills to help with the introduction of direct debit of Centrelink payments through electronic banking.

Educational implications:

The paper identifies the major educational implication - the need to develop mobile training services to increase financial literacy skills. Such services could be used both within town camps and also among desert communities. [financial literacy] [service delivery]

Within consumer education programs schools can develop curricula to help develop financial literacy skills among students who then are in a good position to assist older family members. Furthermore this will assist students to develop the necessary financial skills to prepare for employment in small business enterprises. [curriculum]
Relevance:

Domain 5: Pathways to training, employment and higher education

Adult return to education and/or training

Related papers:

A. Daly and C. Preece An investigation of financial literacy in six Indigenous communities CAEPR Seminar 4 April 2007