



SPECIAL REPORT:

Access to Banking Services by Indigenous Customers

JULY 2017

Contents

Executive Summary	3
Financial inclusion	3
Financial literacy	4
Cultural awareness	4
Looking to the future	5
<hr/>	
Introduction	6
Indigenous customers and the banking industry	6
The Code of Banking Practice	7
About this report	8
Aims	8
Approach	8
<hr/>	
Financial inclusion	9
Transaction accounts	9
Promoting basic accounts	10
Addressing loss of cards	10
Assisting Indigenous customers to meet identification requirements	11
Tackling cost exclusion with ATM fee relief	12
Credit and other products	12
Microfinance loans	13
Matched savings	13
<hr/>	
Financial literacy	15
Developing and delivering financial literacy training	15
Building money management skills through casework	16
Developing the Indigenous financial counselling workforce	16
Coordinating banks' financial literacy initiatives	17
Tackling the loss of bank cards through financial literacy	17
<hr/>	
Cultural awareness	18
Staff training	18
Other initiatives	19
<hr/>	
Information and resources	20

Executive Summary

The Code of Banking Practice (the Code) sets standards of good practice in the Australian banking industry. In 2014, a new Code clause concerning customers in remote Indigenous communities came into effect. Under clause 8, Code Subscribers are required to render special assistance to members of remote Indigenous communities.

Following a review of the Code in 2017, these obligations may be strengthened and extended to all Indigenous customers in the next iteration of the Code. This change is expected to broaden the applicability of the requirements, prompting more Code Subscribers to commence, review or expand initiatives to assist Indigenous customers.

In anticipation of this change, the Banking Code Compliance Monitoring Committee (CCMC) has brought together compliance and other data to share examples of good practice in banks' dealings with Indigenous customers and communities. Both individually and in partnership with the industry and other stakeholders, Code Subscribers – particularly the four major banks – are dedicating substantial effort and resources to building Indigenous financial inclusion, financial literacy and cultural awareness. This work sits within multiple frameworks, including the Code obligations, Australian Banking Association (ABA) commitments and banks' own Reconciliation Action Plans (RAPs) and Financial Inclusion Action Plans (FIAPs).

Financial inclusion

Indigenous Australians are around twice as likely as non-Indigenous Australians to be financially excluded – that is, to lack access to appropriate and affordable banking services and products. Banks have implemented a range of initiatives aimed at improving financial inclusion through access to transaction accounts and microfinance.

The big four banks have increased access to transaction accounts and safe and appropriate credit by:

- **promoting basic bank accounts** – Each bank offers a transaction account with low or no fees; these are promoted on the ABA's Affordable Banking website.
- **addressing the loss of bank cards** – Frequent loss of bank cards is a barrier to account access in many remote Indigenous communities. Commonwealth Bank of Australia's (CBA) Indigenous Customer Assistance Line (ICAL) has tackled the issue with new processes that speed up replacement card activation and to allow customers to access their funds in the meantime.
- **assisting Indigenous customers to meet identification requirements** – The ABA and banks have worked with the Australian Transaction Reports and Analysis Centre (AUSTRAC) to develop guidance for – and put into practice – more flexible identification procedures for opening an account.
- **tackling cost exclusion with ATM fee relief** – The banking industry, the ABA, the Australian Government and two independent ATM companies developed a fee-free ATM services initiative in remote communities. The ABA is currently working to extend this initiative beyond its initial five-year term.

- **providing microfinance loans to Indigenous customers and businesses** – National Australia Bank (NAB), in partnership with Good Shepherd Microfinance (GSM), is a leader in this space, having provided microfinance products and services to more than 25,000 Indigenous Australians. CBA through its Community Business Finance program and Westpac Banking Corporation (Westpac) through its partnership with Many Rivers focus on supporting Indigenous entrepreneurs and businesses.
- **offering matched savings programs** – Both Australia and New Zealand Banking Group (ANZ) with the Brotherhood of St Laurence and NAB with GSM offer matched savings schemes that assist Indigenous and non-Indigenous low-income customers to save by matching up to \$500 in savings, dollar for dollar.

Financial literacy

Financial literacy – the financial knowledge, skills, attitudes and behaviours that enable sound financial decisions and improve financial wellbeing – has been another area of focus. Each of the big four banks has dedicated major effort and resources to tailored financial literacy initiatives for Indigenous people, by:

- **developing and delivering financial literacy training** – ANZ, Westpac and CBA have each worked with partner Indigenous organisations to develop and deliver tailored financial literacy training for Indigenous people.
- **building money management skills through casework** – NAB's Indigenous Money Mentor (IMM) program sees locally-employed mentors working face-to-face with Indigenous clients to build their money management skills.
- **developing the financial counselling workforce** – CBA's Indigenous Financial Counselling Mentorship Program is addressing the scarcity of Indigenous financial counsellors with scholarships that support Indigenous people to complete a Diploma in Community Services – Financial Counselling.

Cultural awareness

A third set of initiatives has focused on building cultural awareness by recognising, understanding, respecting and celebrating Indigenous culture. Some of these initiatives align with the Code's requirements concerning staff cultural awareness training, while others go beyond Code obligations. Banks have developed cultural awareness by:

- **providing Indigenous cultural awareness training to staff** – Each major bank has developed training modules for staff. Such training is often open and promoted to all staff, but particularly targeted to those in key management and customer-facing roles. Each bank has set specific training completion targets. Some banks complement online training with more intensive face-to-face training for key staff.
- **employing Indigenous staff** – Each major bank has devoted considerable attention to Indigenous employment, setting ambitious employment targets and supporting these with a range of Indigenous scholarship, trainee, intern and graduate programs, as well as tailored retention and professional development strategies.

Looking to the future

By sharing information about these initiatives in this report, the aim of the CCMC is to provide inspiration for Code Subscribers entering this space, and to stimulate further thinking about how banks – both individually and as an industry – can continue to improve their service to Indigenous customers. For example, there may be potential for banks to do more to promote their basic banks accounts.

A clear message from the major banks' initiatives is that one size does not fit all. Each bank's work reflects the diversity of both Indigenous communities as well as the challenges different communities and service providers face.

There are early signs that the industry is moving towards a more cohesive approach, with banks collaborating through the ABA and tying their work to larger national initiatives. The CCMC considers that Code Subscribers' efforts to assist Indigenous customers may be more effective when a range of complementary initiatives are delivered in a coordinated manner.

Introduction

This report showcases examples of good practice in banks' dealings with Indigenous customers and communities. Australia's four major banks devote considerable effort and resources to Indigenous financial inclusion and financial literacy initiatives, and to building cultural awareness within their businesses. In doing so, these banks comply with – and often exceed – Code obligations concerning customers in remote Indigenous communities.

Ahead of the anticipated expansion of these requirements¹, the CCMC has drawn on Code compliance data and other input to detail the good practices already in place at major Code-subscribing banks. By sharing these examples, the CCMC hopes to encourage wider adoption of existing good practice and inspire further thinking about how the banking industry can best serve Indigenous customers and communities.

Indigenous customers and the banking industry

Indigenous people make up around 3 per cent of the Australian population², but are overrepresented among Australians facing disadvantage. Outcomes for Indigenous people vary substantially by factors such as age, sex, employment and geography, and some Indigenous Australians – albeit a relatively small proportion – are not disadvantaged compared with non-Indigenous Australians.³ On average, however, Indigenous Australians face poorer outcomes across a range of measures, experiencing worse health, higher mortality, lower literacy and numeracy and higher rates of financial disadvantage and exclusion.

The banking industry has recognised that it has a role to play tackling Indigenous disadvantage by fostering financial and social inclusion and wellbeing. At the industry level, the ABA's most recent *Indigenous Statement of Commitment* sets out commitments to actions in four areas: financial literacy and financial inclusion; products and services; employment; and cultural awareness and advocacy. The ABA has established an Indigenous Working Group and has been involved in a number of the initiatives discussed in this report.

At the institution level, all four major banks have developed RAPs as part of their overall corporate social responsibility programs.⁴ These RAPs set out banks' commitments and identify specific actions and targets, providing the framework for many of the initiatives described in this report. More recently, banks have developed individual FIAPs – strategies for practical action to improve access to banking services for vulnerable customers more broadly.

¹ Khoury, Phil (2017) *Independent Review – Code of Banking Practice*, Recommendation 71, p. 167.

² Australian Bureau of Statistics, [3238.0.55.001 – Estimates of Aboriginal and Torres Strait Islander Australians, June 2011](#).

³ Australian Government Productivity Commission (2016) *Overcoming Indigenous Disadvantage: Key Indicators 2016 – Overview*, p. 6.

⁴ At CBA and ANZ, some branches have also developed local level RAPS or Branch Community Development Programs that translate wider RAP objectives into local initiatives.

The Code of Banking Practice

Under clause 8 of the Code, subscribing banks are required to assist members of remote Indigenous communities by, among other things:

- making information about relevant banking services available and accessible
- on request, providing information about suitable accounts (including low or no fee accounts)
- assisting customers to meet identification requirements
- providing cultural awareness training to staff who regularly deal with remote customers.⁵

Soon after these requirements came into effect in 2014, the CCMC assessed compliance with clause 8 as part of its 2013–14 Annual Compliance Statement (ACS). The ACS is the CCMC’s principal compliance monitoring activity and consists of a self-report questionnaire and on-site follow-up visit. Banks reported that they had established processes and procedures to comply with their new obligations.

The CCMC revisited banks’ dealings with customers in remote Indigenous communities as one of four key themes in the 2015–16 ACS. Again, the CCMC found that all banks were meeting the Code requirements, in part because for many smaller banks with no customers in remote Indigenous communities, clause 8 requirements did not apply. The big four banks – the NAB, CBA, ANZ and Westpac – were most actively engaged in the area, each reporting on a range of initiatives that went well beyond the minimum requirements of the Code.

Currently, the Code’s clause 8 requirements apply specifically to customers in remote Indigenous communities, reflecting the fact that compared to non-Indigenous people, Indigenous Australians are more likely to live in remote and very remote areas.⁶ On most indicators, outcomes for Indigenous Australians worsen as remoteness increases⁷, and there are additional barriers to financial inclusion and literacy in remote Indigenous communities.

Even so, Indigenous disadvantage is not confined to remote communities, and only a minority of Indigenous Australians – around one in five – lives in remote areas.⁸ For this reason, in the recent Code review, consumer groups argued that clause 8 obligations should be extended to apply to banks’ dealings with all Indigenous customers, not only those in remote areas.⁹ Some consumer groups also suggested that the clause should require banks to provide more proactive assistance to Indigenous customers.

⁵ ABA, *Code of Banking Practice 2013*, p. 11. The ABA introduced these obligations to customers in remote Indigenous communities in the 2013 version of the [Code](#).

⁶ Australian Institute of Health and Welfare, *Indigenous Observatory*, ‘The Indigenous population’ at <http://www.aihw.gov.au/indigenous-observatory/reports/health-and-welfare-2015/indigenous-population/>

⁷ Australian Government Productivity Commission (2016) *Overcoming Indigenous Disadvantage: Key Indicators 2016 – Overview*, p. 8.

⁸ Australian Institute of Health and Welfare, *Indigenous Observatory*, ‘The Indigenous population’ at <http://www.aihw.gov.au/indigenous-observatory/reports/health-and-welfare-2015/indigenous-population/>

⁹ Consumer Federation of Australia (2016) *Joint consumer submission to the Independent Review of the Code of Banking Practice 2016*, Recommendation 41, p. 98.

These suggestions were accepted by the reviewer. The January 2017 review report recommended that clause 8 be redrafted to apply to all Indigenous Australians; that it be framed by a general principle of financial inclusion; and that it set out more meaningful obligations in clear, direct language.¹⁰ The ABA supported this recommendation in its response to the review.¹¹

As a result, the next iteration of the Code is likely to clarify and extend Code-subscribing banks' obligations to Indigenous customers. Banks with no remote Indigenous customers and no presence in remote communities may be required to consider how they engage with Indigenous customers more generally. At the same time, obligations to Indigenous customers may be made more concrete and unqualified.

About this report

Anticipating that many banks will soon initiate, review or expand their efforts to assist Indigenous customers, the CCMC thought it timely to share information it has gathered about existing good industry practice among the big four banks.

Aims

In bringing together and sharing these examples, the CCMC's objective is to stimulate thinking about the different ways that banks can improve their service to Indigenous customers. One lesson to be drawn from these examples is that one size does not fit all and there is room for a range of approaches. Banks can and should adapt the approach according to their context and their customers.

At the same time, banks can draw on knowledge of 'what works' to avoid reinventing the wheel. Existing good practice is a useful starting point, and this review of a range of initiatives points to factors – such as partnership with Indigenous organisations – that are common to successful efforts.

This report details practices that exceed Code requirements, and is not intended as a comparative or critical review. However, the CCMC does offer some observations on potential improvements and future focus areas.

Approach

To inform this report, the CCMC drew on data from our compliance monitoring activities, combining this with additional input from the big four banks and Indigenous organisations.

During March and April 2017, the CCMC conducted informal, semi-structured interviews with representatives from NAB, CBA, ANZ and Westpac, discussing each bank's overall approach and specific initiatives. Banks also provided the CCMC with key documents (such as their RAPs) for review.

The CCMC also interviewed representatives from the First Nations Foundation and Reconciliation Australia, seeking their views on the key banking challenges facing Indigenous customers and how these might be addressed.

¹⁰ Khoury, Phil (2017) *Independent Review – Code of Banking Practice*, p. 167.

¹¹ ABA (28 March 2017) *Code of Banking Practice – Response by Australian Bankers' Association to Review Final Recommendations*, p. 27.

Financial inclusion

The Code's clause 8 requirements largely concern financial inclusion – that is, access to appropriate and affordable banking services and products. Such access is a prerequisite to full social and economic participation, while lack of access prevents participation and compounds financial hardship.¹²

Indigenous Australians are disproportionately affected by financial exclusion. Around 17 per cent of Australian adults are severely or fully excluded from financial services¹³; while for Indigenous Australians, the estimated rate of exclusion is more than double this.¹⁴ And even among the financially excluded, Indigenous people report more difficulty meeting expenses and accessing bank accounts and mainstream credit.¹⁵

There have been efforts to address the financial exclusion of remote Indigenous customers at both the industry and institution levels. Identifying 'products and services' as one of four key action areas, the ABA's *Indigenous Statement of Commitment* commits the banking industry to increasing the 'availability and accessibility of relevant and appropriate banking and financial products and services for Indigenous Australians'.¹⁶ Similarly, its *Position on Financial Inclusion* identifies the goal of ensuring that all Australians have access to, and use of 'safe, affordable and appropriate' banking products. Banks' financial inclusion initiatives align with these wider goals and are set out in institutions RAPs and FIAPs.

Transaction accounts

Access to a transaction account enables people to store money and send and receive payments, and is the most basic requirement for financial inclusion. Customers can be excluded from access to a transaction account due to costs (such as ATM fees) or as a result of other barriers, such as inability to provide identity documents, distance from a bank branch, or literacy challenges. Research indicates that each of these barriers disproportionately affects remote Indigenous customers.¹⁷

The Code places obligations on banks both to make customers aware of any basic account offering (clause 16), and to address some of the specific barriers to account access that can affect customers in remote Indigenous communities (clause 8).

¹² Australian Financial Inclusion Network 'What is financial inclusion?' <http://www.afin.org.au/financial-inclusion.html>

¹³ Centre for Social Impact for National Australia Bank (2014) *Measuring Financial Exclusion in Australia*, p. 9.

¹⁴ Centre for Social Impact for National Australia Bank (2012) *Measuring Financial Exclusion in Australia*, p. 26.

¹⁵ *Ibid.*, p. 27–28.

¹⁶ ABA (2015) *Statement of Indigenous Commitment*, p. 3.

¹⁷ Centre for Social Impact for National Australia Bank (2012) *Measuring Financial Exclusion in Australia*, p. 7.

Promoting basic accounts

Basic bank accounts – low or no fee accounts that allow customers to access their money via ATMs and online banking – promote financial inclusion by reducing cost barriers to account access. Under clause 16 of the Code, banks that offer such accounts are required to make information about them available publicly on their websites. They are also required to provide information about them to individual customers where they ask for such information or self-identify as low-income or disadvantaged, or where the bank becomes aware that the customer is a concession cardholder.

All four major banks (as well as many smaller banks) offer basic bank accounts. In several cases, too, a bank's main transaction account meets the definition of a basic bank account. To promote these accounts, the ABA on its Affordable Banking website lists 11 banks (including each major bank) that offer a fee-free transaction account to eligible customers. Bank branches and financial counsellors are likely to also be aware of these products, and can direct clients to them where appropriate.

Nevertheless, it appears that banks could do more to promote their basic bank accounts. The recent Code review noted that some banks' websites do not readily navigate to information about basic accounts.¹⁸ The CCMC also reviewed major banks' websites for this report, conducting keyword searches for 'basic bank account' and 'Indigenous'. Neither of these searches produced results showing the bank's basic account offering. Similarly, where the bank's main transaction account meets the definition of a basic bank account, this is not made clear.

Addressing loss of cards

Frequent and repeated loss of bank cards is a major service challenge and barrier to account access in remote Indigenous communities. Banks report that in these communities, many Indigenous customers see bank cards as having little or no value, and so do not keep them securely. In some cases, we heard, customers believe that the cards are single-use, and discard them after only using them once.

Without bank cards, customers in remote Indigenous communities may be unable to access their money. The negative impact of lost cards is compounded by remoteness, which can extend the replacement delivery time to up to a month. Some banks' processes require the PIN to be issued separately, which can further delay a customer's ability to use a replacement card. The CCMC in its *2015–16 Annual Report* also highlighted a rare but problematic example of a remote Indigenous customer being told that a replacement card could only be provided at a branch – the nearest of which was around 700 km away.

In theory, customers in remote Indigenous communities could access banking services online, including via smartphones. First Nations Foundation told the CCMC that it embraces mobile technology to improve banking for Indigenous Australians. However, it would require a greater uptake of digital banking services in remote Indigenous communities and improved infrastructure for online banking to fully address this issue.

¹⁸ Khoury, Phil (2017) *Independent Review – Code of Banking Practice*, p. 172–3. The Code reviewer made four recommendations concerning access to and promotion of basic bank accounts. Most of these recommendations were supported by the ABA in its response to the Code review – *Code of Banking Practice – Response by Australian Bankers' Association to Review Final Recommendations*, p. 28.

CBA, which has the most Indigenous customers of any major bank, has established a specialised contact centre to assist remote customers who are impacted by geographical isolation. The service assists with lost cards and other difficulties experienced by Indigenous customers in remote communities. CBA's ICAL was set up in 2009. ICAL improves remote Indigenous customers' access to banking services by providing free balance enquiries, replacement cards, access to funds and general financial information, and occasionally assisting them with account opening. Each year, ICAL handles around 150,000 enquiries from customers in more than 150 remote Indigenous communities.

CBA's ICAL has developed a process to speed up replacement card activation and enable remote Indigenous customers to access their funds in the meantime. Via telephone banking, it can activate cards and provide PINs. It also allows customers to access money by transferring it to a trusted person. ICAL arranged 21,000 such transfers in 2016.

While it is unlikely that it would be economical or effective for other banks to replicate the ICAL, its example shows that banks can develop workable and sustainable processes to overcome some of the particular access challenges that remote Indigenous customers face.

Assisting Indigenous customers to meet identification requirements

Indigenous people sometimes do not have the proof of identity documents ordinarily needed to access banking products and services. A 2012 study found that among the financially excluded, Indigenous consumers were around twice as likely as their non-Indigenous counterparts to identify the inability to provide identity documents as a barrier to opening a bank account.¹⁹ Under clause 8 of the Code, subscribing banks commit to taking reasonable steps to assist customers in remote Indigenous communities to meet identification requirements.

Work has been done at the industry level to address this barrier to financial inclusion, facilitating Code compliance. The ABA and banks recently worked with the Australian Transaction Reports and Analysis Centre (AUSTRAC) to develop more flexible identification approaches for Indigenous people. AUSTRAC's guidance was issued in 2016 and recommended that, where conventional identification documents are unhelpful²⁰ or unavailable, financial services providers allow customers to verify their identity with alternative means such as a photographic reference or referee statement, letter or form.²¹ AUSTRAC also developed a sample referee form.

Consequently, banks are revising their identification procedures to incorporate this flexibility, and banks commented that the initiative has made identification somewhat easier. Banks also described other approaches, such as allowing Medicare cards or Community ID Cards – special identification cards issued by some remote local councils – as forms of identification. With permission from the Australian Securities and Investments Commission, Westpac has appointed

¹⁹ Centre for Social Impact for National Australia Bank (2012) *Measuring Financial Exclusion in Australia*, p. 27.

²⁰ For example, where documents contain conflicting birth date details because the individual's precise date of birth is unknown.

²¹ Australian Government Australian Transaction Reports and Analysis Centre (2016) 'Aboriginal and/or Torres Strait Islander People' in *AUSTRAC Compliance Guide* at <http://austrac.gov.au/aboriginal-and-or-torres-strait-islander-people>

representatives who are trained to assist people to open accounts. Representatives are given an information kit with identification forms and an explanation of the account opening procedure.

Banks balance their responsibilities to facilitate access to financial products and services and to prevent unauthorised access to accounts. One bank highlighted challenges, which include cases in which a family member has contacted them to request a transfer, providing all appropriate ID information, including passwords and PIN numbers. In most cases, when the customer becomes aware of the transfer, a stop is placed on the receiving account until the money is repaid. Typically, the accountholder does not want to involve the police.

Tackling cost exclusion with ATM fee relief

ATM fees are another major issue in remote Indigenous communities. A 2010 Australian Treasury report found that remote customers typically spend much more in aggregate ATM fees than their urban counterparts, partly because they are less likely to have access to free transactions via ATMs operated by their own bank.²² Behavioural factors also contribute: for a variety of reasons, remote customers tend to make more balance requests and small cash withdrawals²³, for which fees quickly accumulate. Thus ATM fees exacerbate cost exclusion while eroding the already limited income of many customers in remote Indigenous communities.

Apart from general requirements concerning the disclosure of fees and charges, the Code does not impose any obligations in relation to ATM fees. Nevertheless, in late 2012 the Australian Government, the banking industry (including the major banks) and two independent ATM companies launched a fee-free ATM services initiative in remote communities. Under the initiative, customers in participating communities are not charged ATM fees when using specified 'free' ATMs.

The ABA has advised that it is working with other stakeholders to receive the necessary regulatory approval to continue the project after its five-year approval ends in December 2017.

Credit and other products

Access to a moderate amount of credit enables access to goods and services that are beyond a monthly budget, and smooths expenditure, protecting against income shock and financial stress.²⁴ People who lack access to mainstream credit are more likely to turn to fringe providers and are vulnerable to predatory lending practices.

The Code does not impose any obligations on banks to develop or offer specialist credit products for Indigenous customers or other groups. Major banks have, however, developed some microfinance loan schemes that benefit Indigenous customers.

²² Australian Government Treasury (2011) [ATM Taskforce – Report on Indigenous ATM Issues](#), p. 4–6.

²³ *Ibid.*, p. 7.

²⁴ Centre for Social Impact for National Australia Bank (2014) [Measuring Financial Exclusion in Australia](#), p. 8.

Microfinance loans

Through a partnership with GSM, Australia's largest microfinance organisation, NAB supports access to fair and affordable microfinance loans to low-income customers across Australia (both Indigenous and non-Indigenous). In partnership with GSM, NAB is the leading provider of microfinance products and services to Indigenous Australians, having provided more than \$20 million in microfinance products and services to more than 25,000 Indigenous Australians.²⁵

The No Interest Loan Scheme (NILS), a GSM product, is the key microfinance product supported by NAB. NILS provides no interest loans of up to \$1,200 for essential goods and services. NILS loans are accessed via community organisations that are NILS providers. NILS is not restricted to Indigenous people, but NAB and GSM estimate that just under a quarter of NILS customers are Indigenous. Many of these access NILS via the IMM program (discussed on p. 16).

NAB in partnership with GSM also offers StepUP loans: low-interest loans of up to \$3,000 for people on low incomes who have difficulty accessing credit by mainstream means. In FY2016, 168 Indigenous customers accessed StepUP loans.²⁶

Westpac also offers microfinance through its backing of Many Rivers, a not-for-profit microfinance organisation that provides microenterprise development support and access to finance for aspiring business owners. Many Rivers²⁷, through its microfinance and other initiatives, has helped support 680 Indigenous business owners and many more Indigenous employees and their communities.

CBA also has a microfinance program called Community Business Finance, which provides business banking support, including low-interest loans and affordable business banking, to eligible Aboriginal and Torres Strait Islander entrepreneurs across Australia.

Matched savings

Saver Plus is a matched savings program developed by ANZ and the Brotherhood of St Laurence, with funding from ANZ and the Australian Government. The program targets people on low incomes, including Indigenous people (around 3% of total participants identify as Indigenous). Participants access the program via partner community organisations including the Brotherhood of St Laurence. Participants set a savings goal (expenses for their child's or their own vocational education) and attend MoneyMinded financial education sessions. Upon successful completion of the program, ANZ will match savings of up to \$500 per person. The aim of the program is to increase financial capacity and assist customers to develop a savings habit. To date, over 27,000 people have completed the program, with ANZ providing \$15 million in matched savings.

²⁵ NAB, [Indigenous Australian support](#)

²⁶ *Ibid*, p. 8.

²⁷ Many Rivers (2017), Program Results at <http://www.manyrivers.org.au/our-program/program-results/>

NAB operates a similar program via its partnership with GSM. Customers who have successfully paid off a NILS loan are eligible for an AddsUP account, which, like the ANZ program, matches \$500 of customer savings dollar for dollar. In the 2014 financial year, 20 Indigenous people opened AddsUP accounts.²⁸ NAB's 2015–17 RAP set the target of 50 additional AddsUP accounts for each year of the plan.

Examples of good practice – financial inclusion

- Promoting basic bank accounts on the ABA Affordable Banking website
- Establishing a specialist contact centre for remote Indigenous customers
- Developing special processes to allow customers who have lost their bank cards to access their funds
- Developing flexible identification processes for Indigenous customers who do not have standard identity documents
- Providing special account opening assistance to Indigenous customers
- Partnering with government and ATM operators to offer ATM fee relief in remote communities
- Developing and offering microfinance loan and matched savings products

²⁸ NAB, [Reconciliation Action Plan 2015–2017](#), p. 8.

Financial literacy

'Financial literacy' refers to the financial knowledge, skills, attitudes and behaviours that enable a person to make sound financial decisions that improve their financial wellbeing.²⁹ In its *Indigenous Statement of Commitment*, the ABA recognises financial literacy as a key principle and action area, identifying the aim of assisting Indigenous Australians to 'better understand and manage their money and finances' and build financial independence.

While the Code does not impose any obligations concerning financial literacy, this is a major area of activity for the big four banks, each of which invests in both mainstream and Indigenous-specific financial literacy initiatives.

Each of the four major banks has devoted considerable resources to financial literacy initiatives tailored to Indigenous people and communities. Banks emphasised the need for a flexible approach: different communities have different needs, and one-size-fits-all financial literacy training approaches do not work. While banks take different approaches to supporting financial literacy, each has worked in partnership with Indigenous and community organisations on development and delivery.

Developing and delivering financial literacy training

ANZ developed one of the earliest Indigenous financial literacy training programs, MoneyBusiness, in 2005. Community workshop materials were developed in consultation with Indigenous communities and workers so that they would be relevant and culturally appropriate. MoneyBusiness helps participants to build their money management skills and confidence and aims to strengthen the savings culture in remote communities. ANZ MoneyBusiness trains financial counsellors and money workers to become MoneyBusiness facilitators, delivering the program to Indigenous consumers in NT, WA, SA and Queensland. By 2016, over 55,000 Indigenous people had completed the MoneyBusiness program. ANZ also supported First Nations Foundation to develop its own Indigenous financial literacy training product, My Moola.

Similarly, Westpac is currently developing a financial literacy training program for Indigenous people. To develop the training, Westpac is working with Murdi Paaki Regional Assembly (MPRA), a peak body representing Indigenous people in 16 communities across Western NSW. The training will cover budgeting and opening an account, and will be delivered by local branch staff and managers. For Westpac, this tailored financial literacy training complements its wider financial literacy training initiative, the Davidson Institute.

CBA is also in the process of developing a financial wellbeing training package, in partnership with the Indigenous Consumer Assistance Network (ICAN). Train-the-trainer sessions are scheduled to begin in June 2017.

²⁹ Australian Securities and Investments Commission (2017) 'Australian National Financial Literacy Strategy', <http://www.financialliteracy.gov.au/strategy-and-action-plan/financial-literacy-strategy>

Building money management skills through casework

NAB has taken a slightly different approach to Indigenous financial literacy, building money management skills through one-on-one casework rather than training. NAB's IMM program, established in 2009, sees Indigenous people (and non-Indigenous people with extensive experience working with Indigenous communities) employed as Indigenous Money Mentors. While NAB funds the program, IMM are employed and managed by local community organisations in both urban and rural areas.

Mentors work face-to-face with Indigenous clients: developing financial literacy using culturally appropriate materials and approaches; building money management skills through casework; facilitating access to microfinance products; and providing referral to financial counsellors and other services. As well as working one-on-one with clients, IMM conduct community visits and outreach.

Since 2009, more than 7,000 people have been assisted through the IMM program. Clients report that IMM helps them to improve both their standard of living and family relationships. A Social Return on Investment study for NAB by EY found that each dollar spent on the IMM program generated \$4.20 in social value.

NAB is seeking to build on the insights and learning from the IMM program to grow the reach and scale. In the 2016 financial year it entered into a partnership with GSM to coordinate the program nationally.

Developing the Indigenous financial counselling workforce

In addition to the training currently in development, CBA has focused much of its financial literacy efforts on building a skilled Indigenous financial counsellor workforce. Prompted by research that found that a scarcity of accredited Indigenous financial counsellors was limiting access to these services, in 2009 CBA partnered with the ICAN to develop the Indigenous Financial Counselling Mentorship Program. Through the Mentorship Program, CBA provides scholarships to support Indigenous people to complete a Diploma in Community Services – Financial Counselling.

The first graduates were accredited in 2012, and since beginning, the program has increased the number of qualified Indigenous financial counsellors tenfold. Within the financial counselling sector, the Mentorship Program is recognised as a best practice training model. ICAN and CBA are also continuing to develop and improve the model, building in a new supervision framework in 2017. In its current Reconciliation Action Plan, CBA commits to supporting at least 10 Indigenous people to participate in the program each year from 2017 to 2019.

CBA also directly supports financial counsellors to work with Indigenous clients in remote communities, funding the Aboriginal Legal Rights Movement to visit the remote Anangu Pitjantjatjara Yankunytatjara (APY) Lands for financial counselling outreach at least three times per year.

Other banks also support the broader financial counselling sector with funding, training and professional development opportunities.

Coordinating banks' financial literacy initiatives

In the ABA's *Statement of Indigenous Commitment*, the banking industry commits to 'work together' to improve Indigenous financial literacy. To date, however, it appears that banks have developed their Indigenous financial literacy initiatives relatively independently. As the big four banks continue to develop and expand their Indigenous financial literacy efforts – and with other banks potentially entering the field – the CCMC believes that increased communication and coordination via the ABA may be beneficial. By coordinating their efforts, banks could avoid double-up, maximise the number of Indigenous people reached, target areas of special need and share learning and innovation from their work.

Tackling the loss of bank cards through financial literacy

Understanding of and attitudes towards bank cards is a major financial literacy challenge in remote Indigenous communities. Banks are trying to address this issue in their financial literacy training, explaining the value of cards and encouraging their safekeeping. Banks reported that these efforts are starting to show improvements.

In its *Indigenous Statement of Commitment*, the ABA commits to encouraging the development of improved information, tools and resources for Indigenous customers, including 'culturally appropriate banking collateral'.³⁰ In this vein, the First Nations Foundation suggested that banks might consider how they could increase the personal value of bank cards for Indigenous customers – for example, by incorporating photographs or Indigenous artwork. The CCMC believes this approach is worthy of consideration.

Examples of good practice – financial literacy

- Developing and/or delivering tailored financial literacy training in Indigenous communities
- Developing culturally appropriate information, tools, resources and banking collateral for Indigenous customers
- Supporting community organisations to employ money management workers to work one-on-one with Indigenous clients
- Supporting Indigenous people to become accredited financial counsellors
- Supporting the financial counselling sector to conduct outreach in Indigenous communities

³⁰ ABA, *Indigenous Statement of Commitment*, p. 3

Cultural awareness

By recognising, understanding, respecting and celebrating Indigenous culture, banks can develop inclusive workplaces and give staff the understanding and skills that enable them to build respectful relationships with Indigenous people, businesses and communities. The ABA in its *Indigenous Statement of Commitment* and the major banks in their individual RAPs each recognise the importance of cultural awareness and commit to specific actions to improve cultural awareness.

Cultural awareness is also acknowledged in clause 8 of the Code, under which Code Subscribers commit to taking reasonable steps to provide cultural awareness training to staff in remote locations who deal regularly with members of those communities.

Staff training

Each of the major banks provides Indigenous cultural awareness training to staff. While banks have developed their own training modules, each covers similar content. Firstly, training addresses Aboriginal and Torres Strait Island culture and history, typically including the historical events and policies that have affected Indigenous people. Building on this foundation of understanding, training then covers the Indigenous customer experience, including guidance on communicating with Indigenous customers and any relevant bank procedures (such as identification procedures). Content on workplace inclusion includes topics such as recruitment and retention, managing staff who work with Indigenous customers, and creating an inclusive workplace environment.

Typically, training is targeted at key management staff and those in customer-facing roles, especially where they are likely to often deal with customers. ANZ aims to achieve a 100% online training completion rate for its contact centre staff,³¹ while CBA requires all members of its ICAL team to complete online Indigenous cultural awareness training every six months. Similarly, at Westpac, Indigenous cultural awareness training is a particularly high priority for staff in branches and outlets in regional and remote communities.

Some banks complement online modules for wider use with face-to-face Indigenous cultural awareness training for key staff. In its 2016–19 RAP, ANZ committed to providing face-to-face cultural awareness training to all of its Australia leadership team and other specific management. Similarly, in addition to the online training available to all staff, NAB provides face-to-face training to hiring managers of Indigenous trainees as well as those staff members who regularly deal with Indigenous customers. .

For other bank employees, cultural awareness training is typically available and encouraged, but not compulsory. For example, CBA has a goal of 15 per cent completion by all staff,³² while ANZ is aiming to increase general staff completion rates by 15 per cent each year to 2019.³³

³¹ ANZ Banking Group, [Reconciliation Action Plan 2016–2019](#), p 10.

³² Commonwealth Bank, [Reconciliation Action Plan 2017–2019](#), p 7.

³³ ANZ Banking Group, [Reconciliation Action Plan 2016–2019](#), p 10.

As with their financial literacy initiatives, banks have typically developed their internal Indigenous awareness training in partnership with Indigenous organisations. In 2015, ANZ worked with Reconciliation Australia to produce its suite of three online learning modules. Westpac's training module was developed with Corporate Culcha, an Indigenous-owned business that specialises in Indigenous training and development.

Similarly, CBA has worked with Black Card, an Indigenous-owned consultancy, to develop and implement a Cultural Capability Framework. Black Card developed tailored training and development programs for key internal stakeholder groups. The programs involved staff in preparatory work and activity workshops with Indigenous elders.

Other initiatives

In their RAPs, each major bank devotes considerable attention to Indigenous employment, setting measurable targets for Indigenous recruitment and retention. CBA, for example, has set the goal of employment parity – Indigenous employees as 3% of the domestic workforce – by 2026.³⁴ In 2016, Westpac announced³⁵ its current employment parity had reached 4% of its workforce. To meet such targets, banks have put in place a range of Indigenous scholarship, trainee, intern and graduate programs. These are complemented with retention strategies and a variety of tailored professional development opportunities.

Banks commented that Indigenous employment also contributes to the provision of banking services to Indigenous customers. Indigenous staff are culturally aware and also contribute to colleagues' cultural awareness. This helps banks comply with their clause 8 Code obligations.

Banks' cultural awareness training is complemented with a number of other internal and external strategies and initiatives, such as staff reconciliation networks; skilled volunteering and secondment opportunities in Indigenous organisations and communities, including the Jawun program; embedding Welcome to Country and Acknowledgment of Country protocols into key events; and celebrating National Reconciliation week and NAIDOC week.

Examples of good practice – cultural awareness

- Developing tailored cultural awareness or cultural capability training in partnership with Indigenous organisations
- Providing cultural awareness training to all Indigenous customer-facing staff and key leadership
- Setting measurable targets for cultural awareness training completion
- Making online cultural awareness training available to all bank staff
- Setting targets for Indigenous employment and supporting these with tailored Indigenous recruitment, retention and professional development initiatives
- Complementing cultural awareness training with other activities to recognise and celebrate Indigenous culture

³⁴ Commonwealth Bank, *Reconciliation Action Plan 2017–2019*, p 10.

³⁵ Westpac (2016), <http://rap.westpacgroup.com.au/news/post/indigenous-australian-parity-exceeded>

Information and resources

Introduction

Independent Review of the Code of Banking Practice

www.cobpreview.crkhoury.com.au/

Australian Bureau of Statistics

www.abs.gov.au/ausstats/abs@.nsf/mf/3238.0.55.001

Australian Prudential Regulation Authority (APRA) Points of Presence

www.apra.gov.au/adi/publications/pages/points-of-presence.aspx

Productivity Commission

www.pc.gov.au/research/ongoing/overcoming-indigenous-disadvantage/2016

Australian Institute of Health and Welfare

www.aihw.gov.au/

Consumers' Federation of Australia

www.consumersfederation.org.au/

First Nations Foundation

www.fnf.org.au/

Ombudsman NSW report: Fostering economic development for Aboriginal people in NSW

<https://www.ombo.nsw.gov.au/news-and-publications/publications/reports/community-and-disability-services/fostering-economic-development-for-aboriginal-people-in-nsw-a-special-report-to-parliament-may-2016>

Reconciliation Action Plans

Reconciliation Australia

www.reconciliation.org.au

National Australia Bank (NAB)

www.nab.com.au/content/dam/nabrwd/About-Us/corporate-responsibility/reconciliation-action-plan-2015-2017.pdf

Commonwealth Bank of Australia (CBA)

www.commbank.com.au/about-us/download-printed-forms/RAP.pdf?ei=gsa_generic_reconciliation-action-plan

Australia and New Zealand Banking Group (ANZ)

www.anz.com/resources/d/d/dde1b851-e40f-4f72-b453-e93e1e70ca1d/anz-rap-2016-2019.PDF?MOD=AJPERES

Westpac Banking Corporation (Westpac)

www.rap.westpacgroup.com.au/

Financial Inclusion

Australian Financial Inclusion Network

www.financialinclusionnetwork.com.au/

ABA affordable banking

www.affordablebanking.info/Which-Australian-banks-offer-a-basic-bank-accounts-

Centre for Social Impact

www.csi.edu.au/financialresilience/

AUSTRAC

www.austrac.gov.au/aboriginal-andor-torres-strait-islander-people

Good Shepherd Microfinance

www.goodshepherdmicrofinance.org.au/

NILS – www.goodshepherdmicrofinance.org.au/services/no-interest-loan-scheme-nils/

StepUP – www.goodshepherdmicrofinance.org.au/services/stepup-loan/

AddsUP – www.goodshepherdmicrofinance.org.au/services/addsup-savings-plan/

Many Rivers

www.manyrivers.org.au/

CBA Community Business Finance

www.commbank.com.au/about-us/PDS_PDF/community-business-finance-clients.pdf

Saver Plus

www.bsl.org.au/services/money-matters/saver-plus/ &

www.anz.com/about-us/corporate-sustainability/community/investing/saver-plus/

Money Minded

www.moneyminded.com.au/

Financial literacy

ASIC

www.financialliteracy.gov.au/ &

www.moneysmart.gov.au/life-events-and-you/indigenous/indigenous-outreach-program

MoneyBusiness

www.anz.com/about-us/corporate-sustainability/community/investing/moneybusiness/

Muri Paaki Regional Assembly

www.mpra.com.au/

ICAN

www.ican.org.au/

IMM

www.nab.com.au/about-us/corporate-responsibility/community/indigenous-australian-support

Cultural awareness

ANZ Indigenous Cultural Learning modules

www.indigenousculturalawareness.anz.com

Corporate Culcha

www.corporateculcha.com.au/

Black Card

www.theblackcard.com.au/

Jawun

www.jawun.org.au/

Do you want to know more about the Code or the CCMC?

If you would like to know more about the Code of Banking Practice or the CCMC, you can refer to the CCMC website:

www.ccmc.org.au

Alternatively you can visit the ABA's webpage about the Code at:

www.bankers.asn.au/Industry-Standards/ABAs-Code-of-Banking-Practice/Code-of-Banking-Practice

Contacting the CCMC

Do you want to:

- report a concern that a bank has breached the Code?
- make a general enquiry?
- provide feedback?
- make a media enquiry?

You can contact the CCMC using the contact details below.

Banking Code Compliance Monitoring Committee

PO Box 14240

Melbourne VIC 8001

email: info@codecompliance.org.au

Phone: 1800 367 287 (please ask for 'Code Compliance')

www.ccmc.org.au

