



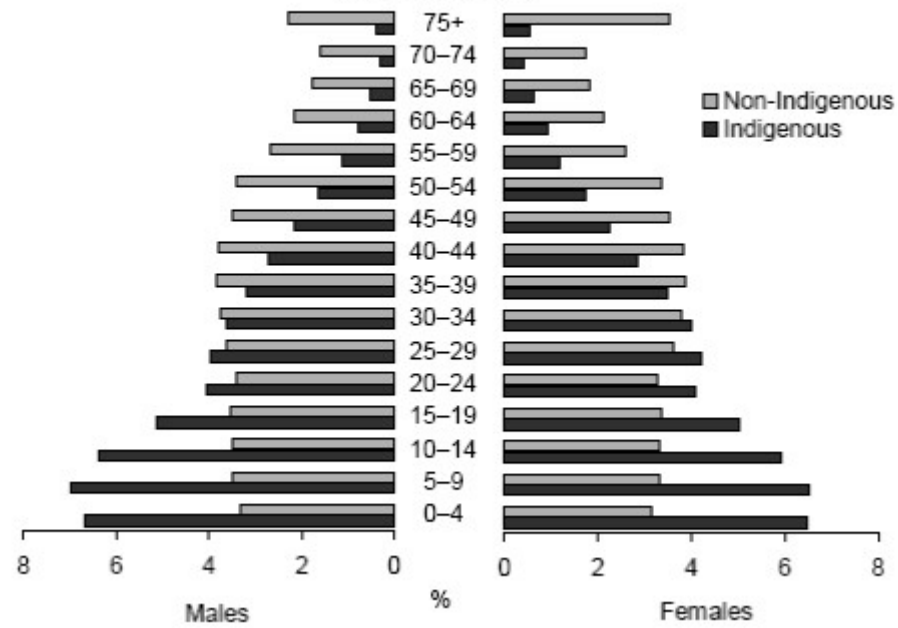
Indigenous Financial Exclusion: Learning, Understanding, Opportunity, Commitment

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2007 SACOSS Financial Inclusion Seminar

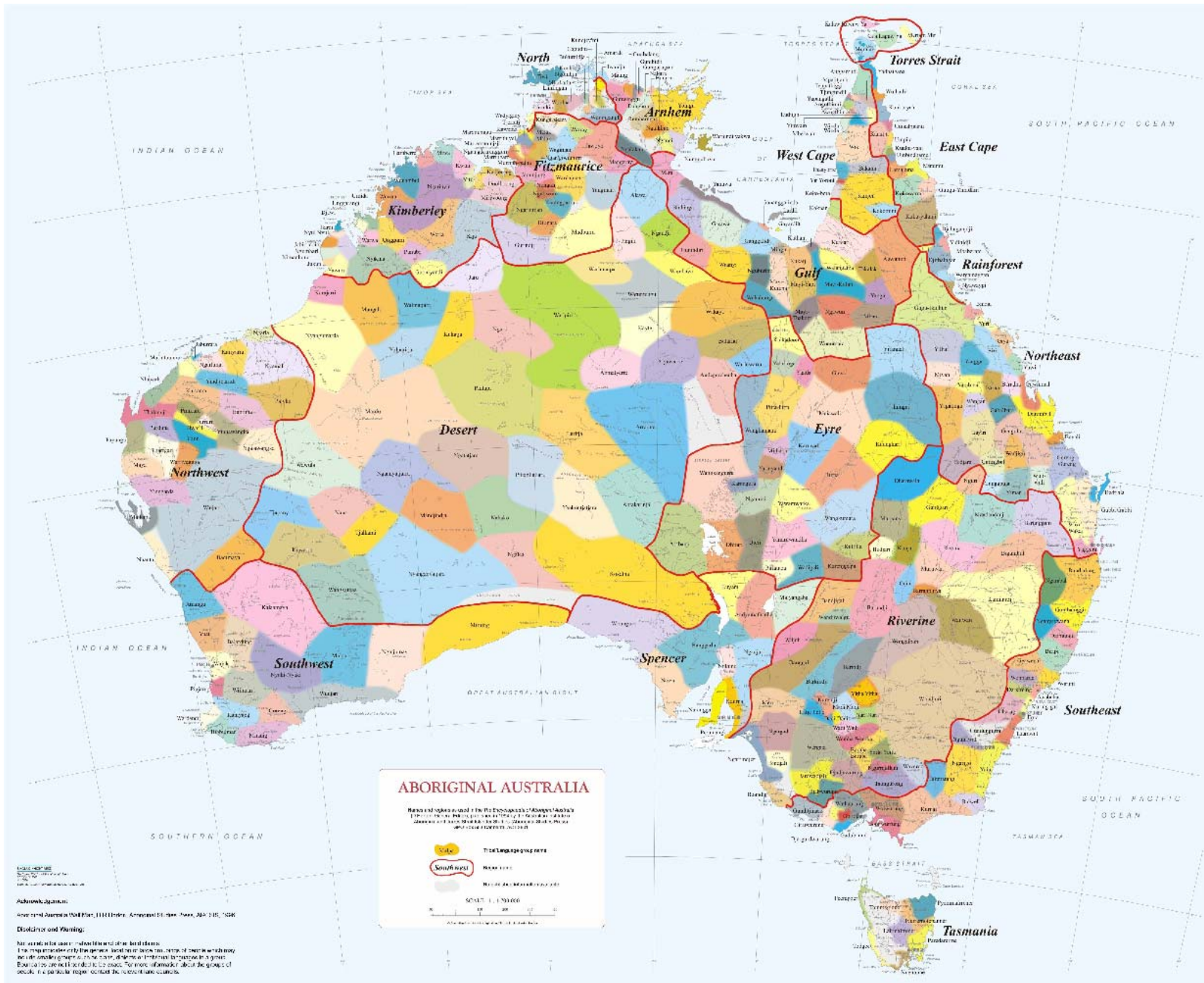
Population

ESTIMATED RESIDENT POPULATION, AUSTRALIA-30 JUNE 2001
Age group (years)



Location of Indigenous people by remoteness

Major Cities	30.2%
Inner regional	20.3%
Outer regional	23.1%
Remote	8.8%
Very remote	17.7%



Socio-economic Status & Health

- Poor education and literacy are linked to poor health status, and affect the capacity of people to use health information;
- Poorer income reduces the accessibility of health care services and medicines;
- Overcrowded and run-down housing is associated with poverty and contributes to the spread of communicable disease;
- Poor infant diet is associated with poverty and chronic diseases later in life; and
- Smoking and high-risk behaviour is associated with lower socio-economic status.

Life Expectancy

Indigenous Male 59.4 yrs

Non-Indigenous Male 76.6 yrs

Indigenous Female 64.8 yrs

Non-Indigenous Female 82 yrs

ABS Census 2001

“Big problem with super is Indigenous life expectancy, you cannot collect.” NIMMA Community Consultations – focus group participant 2006

Education

2004 Retention Rates

Yr 9 Indigenous	97.2
Yr 9 non-Indigenous	99.9
Yr 10 Indigenous	85.8
Yr 10 non-Indigenous	98.5
Yr 11 Indigenous	61.0
Yr 11 non-Indigenous	88.9
Yr 12 Indigenous	39.5
Yr 12 non-Indigenous	76.8

Income

Indigenous Median Gross Individual
weekly income **\$226**

Non-Indigenous Median Gross
Individual weekly income **\$380**

Labour Force Status

Mainstream employment	34%
CDEP	7%
Unemployed	10%
Not in the labour force	48%

Voices of financial exclusion

- Bank barriers, racism, lack of understanding, make me feel like I don't belong in there – look down on
- Banks not making you feel comfortable or respecting
- Fear of rejection
- Too hard to deal with banks because I don't understand
- Intimidation embarrassed to ask questions – to seek clarification for fear of seeming dumb
- Don't understand bank terminology when they speak about financial issues
- Cant get loans because of income too low and are often declined
- Have bad credit rating because of utilities bill

National Indigenous Money Management Agenda NIMMA

Background

In 2002, RA brought together Indigenous organisations, government agencies, major financial institutions and international experts for a two day conference to discuss how to tackle Indigenous financial literacy and banking issues.

RA has formed an alliance with FaCSIA to complete the National Indigenous Money Management Agenda (NIMMA) Project.

The project responds to the Prime Minister's request for the Prime Minister's Community Business Partnership Program to consider how the financial services sector can better engage with Indigenous communities

NIMMA Objectives

The intended outcome of the NIMMA project is to work with government, the financial sector and Indigenous communities to develop collaborative and creative options that will enhance Indigenous people's money management skills, and access to appropriate financial services and products.

The NIMMA will be a road map of current programs and services, identify issues, gaps and best practice standards. And recommend an action plan to improve Indigenous financial literacy training, access to banking services and the development of culturally appropriate products and services.

Project Objectives

The long term project objectives for the NIMMA project are to:

- improve financial literacy skills for Indigenous people;
- improve access to banking services;
- ensure development of and access to appropriate money management products for Indigenous people; and
- ensure a strong commitment from relevant agencies and organisations to commit to and progress these objectives.

Initial Outcomes

Over the past 18 months the project:

- Brought together government, community and business stakeholders to discuss issues and opportunities to address them;
- Completed research to better understand Indigenous peoples needs and the barriers to banking access and financial literacy;
- Fostered open communication and sharing of learnings and experience amongst financial service providers and government agencies;
- Created opportunities for partnership;
- Drafted a comprehensive report which identifies current issues, programs and products available and short term and long term opportunities to take action.

Project Partners

Government

- Families Community Services and Indigenous Affairs
- Dept' of Education, Science and Training
- Dept' of Transport and Regional Services
- Indigenous Business Association
- Financial Literacy Foundation
- Centrelink
- Dept' Communications, Information Technology and the Arts
- Consumer Affairs NT
- Consumer Affairs VIC
- Consumer Affairs WA
- OFT NSW
- Australian Securities and Investments Commission
- ATO

Industry/Community

Australian Bankers Association
First Nations Foundation
Traditional Credit Union
ABACUS and CUFA
ANZ
Commonwealth Bank
National Australia Bank
Westpac
Telstra
Australia Post
Indigenous Consumers' Assistance Network
Superannuation Complaints Tribunal

Areas of Discussion

Financial Literacy Training

- Education about government payments and services
- Improving the delivery and widening the reach of financial literacy programs
- Educating about consumer rights and responsibilities
- Communicating availability of existing financial literacy resources and programs
- Educating about credit file (Baycorp) information
- Putting in place measures of financial literacy capability for Indigenous Australians
- Understanding what works to improve financial literacy – investigating further research topics

Areas of Discussion

Indigenous Consumers (access to financial services and appropriate products)

- Improving face to face banking access in remote locations
- Considering good practice customer service standards for Indigenous consumers (improving communication, Indigenous employment strategies, cultural awareness, availability of suitable products)
- Lifting savings and encouraging savings behavior
- Building capacity of small business enterprise
- Making housing more affordable and access to home lending
- Improving access to personal loan products (including microfinance)
- Managing the impact of fees and charges (e.g. ATM and dishonor fees) for low income Indigenous consumers
- Improving access to technology, internet and telephone access, to facilitate banking access in remote areas
- Improving regulation of unscrupulous practices
- Improving access to and the delivery of financial counseling and support services
- Investigating options to measure Indigenous consumers participation in mainstream financial services (up take and use of products and satisfaction with financial services)

Next Steps

- o The final NIMMA report will be launched in Aug/Sept of 2007
- o Establish an ongoing forum to share information, encourage co-operation between financial institutions, government and community organisation and to follow up on actions in the NIMMA documents
- o IBRG completing Reconciliation Action Plans

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opening financial pathways



Overview of focus groups

<u>Focus Group</u>	<u>Participants</u>	<u>Age</u>	<u>Gender Mix</u>	<u>Literacy Level</u>	<u>Identified Aims</u>
ASHE Students	12	16-27	11 male 1 female	Need basic financial skills	Education Consumption
Rumbalara Home Owners	12	TBC	Mixed	Need basic financial skills	Home Education
Munarra Leadership Program	12	Teens – Mid 20s	Mixed	Need basic financial skills	Education Consumption
Sole Parents					Budgeting for everyday needs
Elders	9	17-42	All female	Need basic financial skills	
	6	30-70	Mixed	Need basic financial skills	Home Consumption Funding kids Retirement

Source: Five focus groups conducted in June-August 2006

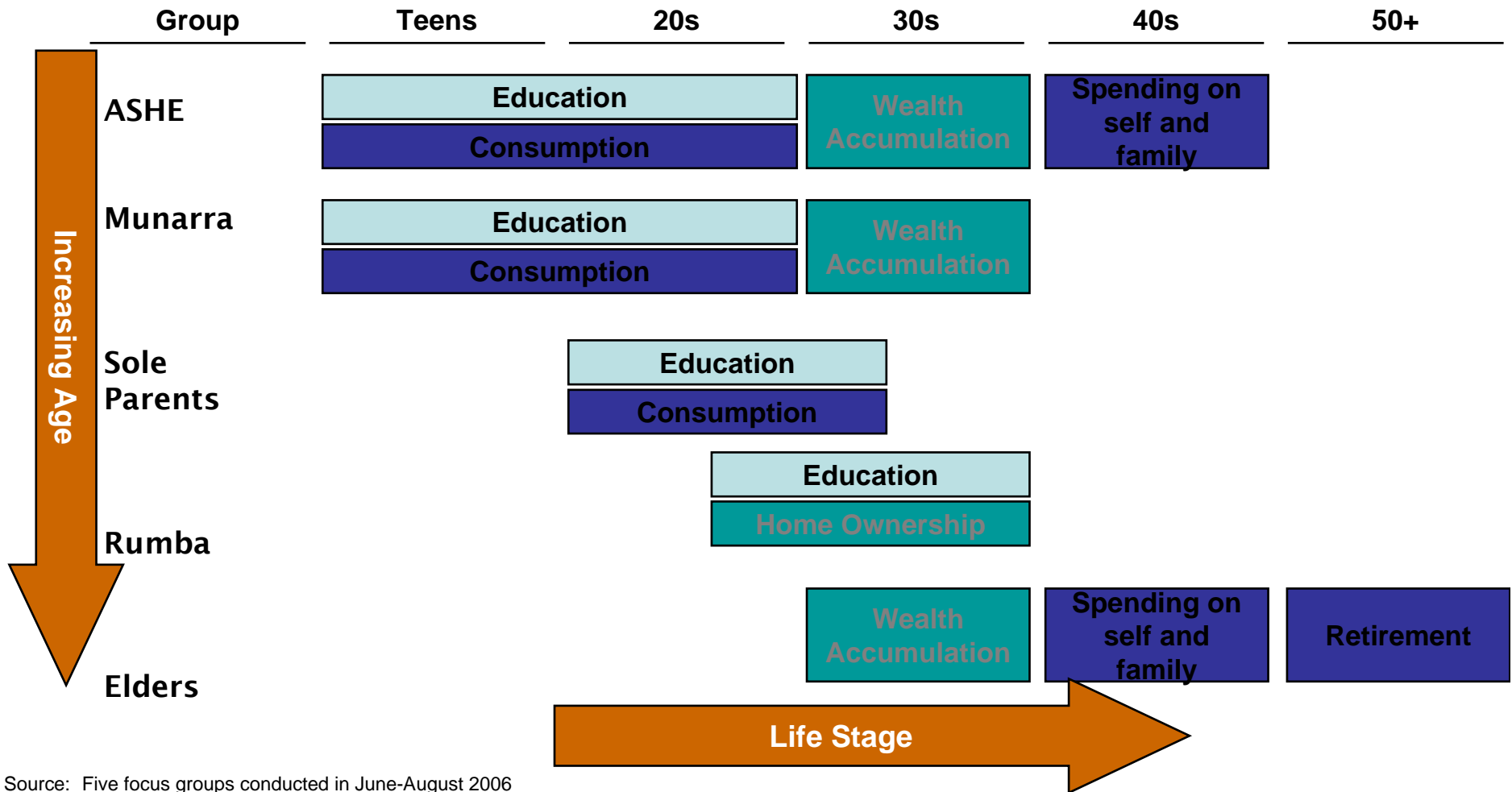


Barriers

- Low confidence
- Job insecurity
- Family pressure
- Knowledge
- Budget trade-off
- Low income



Identified Aspirations By Age Group And Life Stage



Source: Five focus groups conducted in June-August 2006



HIGH-LEVEL PROGRAM OVERVIEW (I)

Five Program Modules

***Generating
community
engagement***

①

Community Awareness

***Developing
individual skills***

②

Personal Development

③

Financial Literacy Training

***Sharing the
Vision with family***

④

Family Discussions

***Providing
ongoing support***

⑤

Mentoring