

Indigenous Statement of Commitment

Introduction

The Australian Bankers' Association (**ABA**) recognises that many Indigenous Australians face significant social, economic and financial disadvantage.

The banking industry believes that it will take a comprehensive approach through coordinated and sustained efforts between government, business and community to help improve the livelihood of Indigenous peoples and communities.

The banking industry is committed to improving Indigenous accessibility and we will continuously work towards promoting financial and social inclusion and building economic and financial resilience for Indigenous Australians.

Our approach to Reconciliation

The ABA and our member banks want to make a difference for Indigenous people and communities. We have, and will continue, to invest in and develop Indigenous programs and activities that help address issues related to accessing retail and business banking services and financial literacy, and to support a substantial program of collaboration with government and community agencies.

In 2013, the ABA incorporated a commitment in the Code of Banking Practice to customers in remote Indigenous communities to make information about banking products and services accessible, to assist with meeting identification requirements, and to make sure that bank staff are appropriately trained when regularly dealing with Indigenous customers.

Code of Banking Practice

(8) Customers in remote Indigenous communities

If you are a member of a remote Indigenous community, we will take reasonable steps to:

- a) make information about banking services that may be relevant to you available in an accessible manner;
- b) at your request, provide you with details of accounts which may be suitable to your needs, including in remote conditions. This information may include details of our accounts which attract no or low standard fees and charges;
- c) assist you with meeting identification requirements (having regard to our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006);
- d) appropriately train staff who are regularly dealing with you in a remote location to be culturally aware;
- e) consider publicly-announced key Commonwealth, State and Territory government programs, such as income management programs, that may be relevant in providing our banking services to you.

In addition to the commitment found in the Code of Banking Practice, in recent years our member banks have responded with the following initiatives and programs targeted at improving access for Indigenous Australians:

Reconciliation Action Plans

ANZ, Commonwealth Bank, NAB and Westpac have implemented individual plans and other banks include commitments in customer service charters.

Financial literacy

A number of banks have implemented substantial financial literacy activities and programs targeted at Indigenous customers and located in areas with higher Indigenous populations¹. Money Management programs and workshops are provided in Indigenous communities across Australia.

¹ <http://www.bankers.asn.au/Consumers/Financial-Literacy>



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Financial inclusion

A number of banks have provided financial support for Indigenous people and Indigenous business enterprises via micro-finance programs and other discrete and culturally appropriate partnerships. For example, a major bank has a micro-finance loan program to help develop sustainable businesses.

Banking support

Banks have implemented specialised service support for Indigenous customers. For example, a major bank has established a dedicated Indigenous customer assistance line to provide relevant banking service support for Indigenous customers to assist them with their money management needs.

Basic bank accounts

Banks have introduced fee-free bank accounts for eligible customers, including Indigenous customers receiving certain social security payments (being a holder of a Pensioner Concession Card, Health Care Card or Commonwealth Seniors Health Card)².

ATM Fee Proposal

Banks with customers in certain very remote Indigenous communities have entered an agreement with the ATM deployers which operate these devices to provide free ATM transactions for their customers.

- The Identified ATMs within the agreement must meet the eligibility criteria set by the Federal Government, being:
 - The ATM is located in very remote Indigenous communities based on indicators of remoteness provided by the Australian Bureau of Statistics;
 - The ATM is located in a community store (and not in a venue that provides alcohol or gambling services); and
 - The residents of these very remote Indigenous communities lack access to an alternative retail banking service, such as a bank branch, bank ATM, post office (Bank@Post) or Traditional Credit Union (TCU) branch.

The initiative is operated under a commercial contract signed by the parties to the agreement. However, to implement the agreement, the banking industry required regulatory approvals from the Australian Competition and Consumer Commission (ACCC) and the Reserve Bank of Australia (RBA)³. The initiative was given regulatory approval to operate for a maximum of five years from commencement, being December 2017.

Indigenous partnerships

Banks have already entered special arrangements with a number of Indigenous communities and organisations or provide dedicated customer support services for Indigenous customers. These include ANZ's Money Business partnership, which is helping build financial capability and money management skills of Indigenous people⁴; Commonwealth Bank's Indigenous Customer Assistance Line, which is removing some of these access barriers by providing a service specifically designed for remote Indigenous customers⁵; NAB's Indigenous Money Mentors Program provides face-to-face support together with access to safe affordable microfinance products, as well as connecting Indigenous Australians with service providers in areas such as health, housing, family, employment and education to improve overall wellbeing⁶; and Westpac's Indigenous Capital Assistance Scheme and micro-finance program in partnership with Many Rivers, which supports Indigenous entrepreneurship⁷.

² <http://www.affordablebanking.info/Which-Australian-banks-offer-a-basic-bank-accounts->

³ <http://banking.treasury.gov.au/content/atms.asp>

⁴ <http://www.anz.com/about-us/corporate-responsibility/framework/financial-capability/moneybusiness/>

⁵ <https://www.commbank.com.au/about-us/sustainability-and-community/community/indigenous-australians/financial-services.html>

⁶ <http://cr.nab.com.au/what-we-do/building-indigenous-financial-capability>

⁷ <http://www.westpac.com.au/about-westpac/sustainability-and-community/our-community/community-focus-areas/indigenous/>



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Our renewed commitments

Building on existing actions and responses, the ABA and our member banks are committed to exploring additional efforts to assist in addressing social, economic and financial disadvantage of Indigenous Australians.

The banking industry is committed to looking at how we can work with Indigenous Australians; individuals, communities and their representatives; to assist in developing money management knowledge and skills, build capacities to deliver banking products and services to Indigenous customers and identifying ways to collaborate with, and contribute to, the wellbeing and life opportunities of Indigenous people and communities.

We will act fairly and reasonably towards Indigenous customers in a consistent and ethical manner.

We will foster relationships with Indigenous people and communities by working in partnership to address emerging Indigenous banking issues.

We are also committed to the following principles and actions:

1. Financial Literacy and Financial Inclusion

The banking industry will work together to improve the level of financial literacy and financial inclusion of Indigenous Australians to help address financial exclusion of Indigenous Australians.

ACTIONS

- Promote the availability of our member banks' Indigenous financial literacy and financial inclusion programs to assist Indigenous Australians better understand and manage their money and finances.
- Encourage the development of improved information, tools and resources, including culturally appropriate banking collateral, to better target the financial literacy and capability needs of Indigenous peoples and communities.
- Participate in Indigenous education initiatives with government, community and consumer representatives aimed at broadening financial understanding and building financial independence.

2. Products and services

The banking industry will work together to increase the availability and accessibility of relevant and appropriate banking and financial products and services for Indigenous Australians.

ACTIONS

- Develop a cohesive policy approach across the banks for Indigenous customers who may not have access to proof of identity documentation to help them access banking and financial products and services.
- Develop new ways of ensuring greater access to banking and financial products and services, recognising improvements in infrastructure and services into very remote Indigenous communities (enabled by upcoming rollout of high-speed internet access). Access will seek to promote better money management and budgeting knowledge and skills as well as access to alternative retail banking services and channels.
- Undertake a retail banking services pilot to provide enhanced cross-bank access and money management and counselling support.
- Review the current ATM Fee Proposal initiative and determine if the initiative should be extended via additional regulatory approvals or whether alternative policy and practice is necessary to assist access to cash in very remote Indigenous communities.



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3. Employment

The banking industry will work together to identify sustainable strategies and/or initiatives that provide greater training, employment and career opportunities and allow Indigenous people and businesses to reach their full potential.

ACTIONS

- Work with the Federal Government to identify and implement sustainable training, scholarship and employment strategies and initiatives. Initiatives should provide career opportunities and pathways and allow Indigenous Australians to foster employment and support financial and economic participation.

4. Cultural awareness and advocacy

The banking industry will work together to better understand, appreciate and respect Indigenous cultures, in order to strengthen relationships and advocate for culturally appropriate solutions now and into the future.

ACTIONS

- Foster relationships with Indigenous people and communities by working in partnership to better understand and address emerging Indigenous banking issues.
- Promote a better understanding of Indigenous culture across the retail banking sector and advocate greater accessibility for Indigenous Australians through a number of government, business and community partnerships and networks.
- Advocate regulatory reforms that seek to address unscrupulous practices which undermine consumer protection laws and take advantage of Indigenous people and communities, especially Indigenous consumers using non-mainstream and/or unsafe financial products and services.
- Provide insights and respond to Government led initiatives aimed at improving economic participation, financial capability and Indigenous recognition.
- Support and facilitate information sharing and collaboration across the retail banking sector and other stakeholders, so we can build on existing efforts, embed research and other learnings, and promote savings, investment and business expertise and confidence of Indigenous Australians.
- Build on existing partnership approaches and programs, including cross-sector efforts between the ABA, government and consumer stakeholders to raise awareness of financial literacy and financial inclusion as well as promote access to banking products and services, including maintaining a close dialogue and collaboration with Reconciliation Australia.

Review

To ensure our commitments remain relevant and our actions are delivered, the ABA will look to review its Indigenous Statement of Commitment every three years, and this will include appropriate consultation with member banks and other stakeholders.