

Tangentyere Bank Pilot Project-  
"A possible best practice model in the delivery of banking and  
Financial services to Indigenous people"  
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**The bank pilot project**

Tangentyere Council is a grant-funded resource agency that is controlled by the 18 'Town Camp' housing associations of Alice Springs.

Tangentyere Council has provided financial services to Town Campers for over 15 years through a Westpac agency located on its premises. In addition to cashing cheques, the bank agency allows clients to pay off debts to Tangentyere Council for low-value items such as blankets and tucker boxes (lockable steel boxes used to protect food from vermin and theft) and operates a food voucher system.

**The food voucher system**

The food voucher system is the Aboriginal community's response to the 'feast and famine' cycle experienced by welfare recipients who eat well for the first few days after receiving their payment but go hungry for the rest of the fortnight.

Clients electing to use the system can get a food voucher every second day after pension day. The vouchers range in value from \$40 to \$100 depending upon the number of people being fed in the family and the value of the client's Centrelink payment. People can use their vouchers at a local supermarket that they can travel to free of charge on one of two Tangentyere Council buses that run throughout the day between the Town Camps, Tangentyere Council, the supermarket and, when needed, the hospital.

Tangentyere Council reclaims the value of the food vouchers provided when clients cash their next cheque at the bank agency. To ensure that clients have some cash to spend, they are limited to \$200 worth of food vouchers per fortnight.

Because the supermarket enforces a 'no-grog' rule on the use of food vouchers, the system also helps families cope with alcoholism. Holding a food voucher instead of cash provides clients with some protection from pestering from drunk family members and, in some instances, Tangentyere Council has allowed the sober adult of the family to draw food vouchers on the alcoholic 's account with their sober consent.

This helps to keep children fed and helps alcoholics fulfil their obligations to their family.

### **The transition from cheque to electronic banking**

When Centrelink announced its decision to end cheque payments to their customers and to encourage the use of electronic banking in 1999, Tangentyere Council was concerned that its food voucher system would have to be stopped. By using keycards, our clients can access their money without returning to the bank agency and repaying their debt. In addition, we were concerned that some of our clients would have difficulty opening bank accounts and using key-cards.

However, electronic banking has the potential to greatly benefit Aboriginal people in Central Australia. They often travel long distances for medical, legal, cultural and social reasons and can become stranded without access to their Centrelink cheque, which is sent to their home address. Such dislocation places considerable stress on the Town Camp communities in Alice Springs and often leads to social behavioural problems which impact upon the wider Alice Springs community.

With this in mind, Tangentyere Council proposed that the Town Camp communities be used to trial the shift to payment by direct credit. We call this trial the Bank Pilot Project. It involves:

- opening bank accounts for clients who receive Centrelink cheques and informing Centrelink of their bank account details, and
- explaining the benefits of keycards to clients with a bank account and, if requested, providing them with a card and training in its use.

This training can be conducted in the bank agency since Westpac has provided the bank agency with an automated teller machine (ATM) free of charge. Further, they have waived the ongoing transaction-based fees on the machine for a period of 12 months so that we have time to introduce keycards to our clients before the long-term feasibility of maintaining an ATM needs to be assessed.

The problem of how to provide a food voucher service to clients with keycards was resolved when the Department of Family and Community Services and Centrelink helped Tangentyere Council develop a new food voucher system using the Centrepay deduction facility. Under the new system, clients elect to have a portion of their entitlement paid by Centrelink into a trust account operated by Tangentyere Council. When they want a food voucher, a cheque made payable to the local supermarket is drawn from the trust account.

Thus under the new system people are using their own money to buy food vouchers rather than going into debt. The third object of the Bank Pilot Project, therefore, is to sign up people for Centrepay deductions if they choose to use the new food voucher system.

### **Ongoing funding concerns**

The Bank Pilot Project is principally carried out by four Aboriginal bank liaison officers, who are employed by Tangentyere Council using a \$109,000 grant from the Department of Family and Community Services. The bank liaison officers have been selected for their ability to speak a range of Aboriginal languages because most of Tangentyere 's clients do not speak English as a first (or even second) language. The training of the bank liaison officers and preparation of training materials for the clients were funded by Centrelink. The bank agency is located in a cramped space. To improve the service we provide to our clients and working conditions for our staff, we are hoping to redevelop the bank agency's premises. The Aboriginal and Torres Strait Islander Commission (ATSIC) has granted us \$11,202 to draw up plans for this redevelopment and we have applied to the Regional Solutions Program for \$104,000 to carry them out.

To assess the impact of the Bank Pilot Project on our clients and to provide guidance for the extension of electronic banking to other communities, ATSIC has granted Tangentyere Council \$25,000 to pay for an independent evaluation of the project.

### **Success of the project**

So far, the bank liaison officers have opened bank accounts for 546 people, 336 of whom have requested keycards. Thus the response to keycards has been positive and it has even been suggested that many view them as a status symbol. The main problem that has been encountered so far is people losing their cards. To help clients, the bank agency is prepared to hold their cards (without PINs, of course). There are a few people that we know of who have ordered a keycard and have been unable to operate an ATM. People who have ongoing problems in this regard are advised to cancel their card and access their account over the counter at Tangentyere Council.

The bank liaison officers have signed up 235 clients for Centrepay deductions to our new food voucher trust account.

The bank liaison officers operate out of an air-conditioned demountable building, called the Bank Training Room, in which clients can watch a video in Aboriginal language explaining the benefits of keycards, receive training and relax while their forms are being processed. As the Bank Pilot Project is an external initiative, the first task is to explain to clients the need for, and the inevitability of, the changes when they come to the bank agency. Initially, the flow of clients from the bank agency to the Bank Training Room (which is about 20 metres away) was slow. However, this problem was overcome by giving clients a brightly coloured 'ticket' to the Bank Training Room.

Having a Centrelink office on Tangentyere Council's premises has made opening bank accounts and signing up people for Centrepay deductions relatively easy. Centrelink staff are able to provide our clients with letters of introduction for the opening of bank accounts and payment details so that the bank liaison officers can help them through a static budgeting process to decide if and to what extent they want to sign up for food vouchers. The bank liaison officers, however, do not provide clients with training in numerical and budgeting skills.

The Department of Family and Community Services and Centrelink are currently conducting a trial of weekly payments for various social security benefits within the Tangentyere community. The introduction of weekly payments will be of critical importance to the maintenance of living standards in communities that do not have access to culturally appropriate financial services when Centrelink moves from payment by cheque to direct credit.

The importance of culturally appropriate financial services such as Tangentyere Council's food voucher system can be gauged by considering the experience of a particular Tangentyere Westpac bank agency client who has used electronic banking for a number of years to avoid being stranded without access to her money when she regularly travels to Mutitjulu. This lady does not drink or smoke but experiences great difficulty in making her Centrelink payment last throughout a fortnight due to pressure placed upon her by her community and her willingness to care for children from dysfunctional families. Prior to the introduction of the new food voucher system, while in Alice Springs, she chose to leave her keycard with the bank agency so that she could get food vouchers.

When she wanted to travel to Mutitjulu she would collect her keycard from the bank agency. At Mutitjulu she does not have access to a food voucher system and, after receiving her Centrelink payment on a Thursday, she often finds herself without money by the next Monday.

This suggests that, while electronic banking can significantly reduce the suffering that results from people being stranded without access to their Centrelink payment, if the move to electronic banking results in the loss of financial services tailored to the needs of local Aboriginal people, these people may find themselves less able to make their money last throughout their payment period.

### **An end to funding?**

The funding from the Department of Family and Community Services used to employ the four bank liaison officers is due to run out in mid-May,2002.If further funding for the Bank Pilot Project is not forthcoming, the bank agency staff will have to take on the extra workload.

This will be difficult for them and our clients, given the cramped conditions in which they work.

Thank You.