

5

Money skills

building knowhow



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Consumers may end up being exploited by ‘bad book up’ or other unfair practices because they do not have the financial knowledge, skills or experience to protect their interests.

Community leaders or local community organisations can help community members develop their knowledge and skills. They might organise their own ways of developing these skills, or seek help from external organisations such as:

- * a financial institution,
- * the state or territory consumer affairs agency, or
- * a community organisation (for example, an Aboriginal land council, a financial counselling service or a legal aid service).

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5.1 Why are money skills important?

There has been a lot of attention in the broader community on improving consumers' financial knowledge and skills. This approach is based on the belief that consumers will be better able to protect their interests if they have better financial skills and a better understanding of the financial system.

For many Aboriginal consumers, a more fundamental problem is access to appropriate financial services, especially banking. However, there is no doubt that improving financial knowledge and skills would make a big difference, particularly where financial services are available.

Aboriginal consumers, like other consumers, need the skills and knowledge that will help them better manage their financial affairs. A person living in community housing is unlikely to need skills in choosing and managing a home loan. But a person who is being asked or required to accept their Centrelink benefits by direct deposit into a bank account does need to understand how the electronic banking system works.





5.2 Training programs and topics

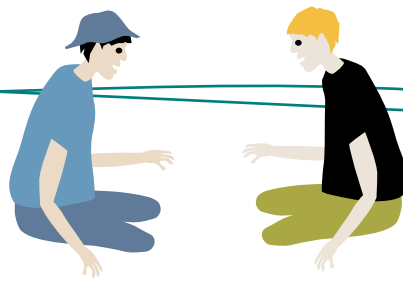
Financial knowledge and skills are probably best acquired through a mix of practical experience using the relevant financial services, together with formal and informal learning through training programs and the advice of relatives, friends and community workers as problems and opportunities arise.

One of the best ways to gain and reinforce skills is by using them in day-to-day life. This is where lack of access to financial services adds to the existing educational disadvantage. But as new services become available, consumers may have opportunities to learn about them, make use of them and adapt them to their needs. Formal training can increase the speed at which consumers can take advantage of these opportunities.

Formal programs may be useful for consumers and community organisations. Different programs are targeted at different needs (for example, the needs of members of boards and committees are different to those of consumers faced with the prospect of using electronic banking for the first time).

Some of the topics that could be covered in training or information sessions include:

- * general financial skills,
- * Centrelink entitlements and obligations,
- * budgeting and developing family money plans,
- * avoiding 'rip offs',
- * saving,
- * using different kinds of transaction services (EFTPOS, phone and internet banking, direct debit, Centrepay),
- * banks' rules and expectations about debit cards,
- * EFT Code of Conduct,
- * fees and charges,
- * the costs of book up,
- * managing spending pressures, and
- * ideas about keeping control of money, debit cards and PIN numbers.



5.3 Learning in school

Many Australians develop financial knowledge and skills at school. There is a reasonable amount of material designed for use in schools to build children's financial skills.²⁵

²⁵ For more information, see Financial Literacy Foundation website, see 7.1 Government page 112 > >

Many Aboriginal people in remote communities are at a severe disadvantage due to the very low levels of school education. The report of the Parliamentary Joint Committee on Corporations and Financial Services, *Money Matters in the Bush*, found that the underlying problem is that kids tend to stay away from school.

One solution that the report suggested was to promote family support projects to get kids to school.

For more information about one of these projects, the Families and Schools Together program in the Cox Finnis region of the Northern Territory, go to www.moneysmart.gov.au

5.4 Projects and materials

Often the most effective way of building financial knowledge and skills is face-to-face contact between a person with the relevant skills and the person who wants to learn. Therefore, the materials listed here may be more useful as an aid to face-to-face contact rather than as a solution in themselves.

Some of the alternatives to book up mentioned in this guide can also help build financial knowledge and skills in the community.

< < see 4 Other ways, especially the training and educational role of resource workers employed by the Family Income Management (FIM) project, page 71 < <



Here are some of the projects and resources covered in this chapter.

- * *Tangentyere Council* in Alice Springs decided to teach people how to use electronic banking so that they could receive their social security payments electronically > > *see page 88* > >
- * *MoneyBusiness (FaCS)* is a joint program between FaCS and ANZ to develop and implement national Indigenous money management training materials > > *see page 89* > >
- * *Traditional Credit Union (TCU)* gives extensive training to its locally-based Aboriginal staff, which indirectly benefits other community members, as staff share their knowledge about financial services in everyday situations in the community > > *see page 90* > >
- * *The Money \$tory* helps present financial information in an easy way for committee/board members and managers to keep up-to-date with the financial affairs of community organisations and small businesses > > *see page 91* > >
- * *Moola Talk/No Free Moola* are comics that ASIC helped produce about financial issues for Aboriginal consumers > > *see page 91* > >
- * *Consumer affairs educational materials* on financial services, produced by consumer affairs agencies in each state and territory, have some materials targeted to Aboriginal consumers > > *see page 92* > >
- * *My Moola educational materials*, produced by the First Nations Australian Credit Union, provide financial information to Aboriginal consumers. One comic includes a budget planner > > *see page 92* > >
- * *Good Book Up Bad Book Up* is an illustrated booklet produced by the West Australia Financial Counselling Resource Project > > *see page 92* > >
- * *Westpac training materials* are designed to help consumers use bank accounts > > *see page 92* > >
- * *Checklists* can be a useful way to communicate key points, especially when linked with other material, like comics or more detailed guides > > *see page 93* > >



Tangentyere Council

Tangentyere Council in Alice Springs provides services to people who live in town camps in Alice Springs. The Council decided to teach people how to use electronic banking so that they could receive their social security payments electronically. The Council staff explain:



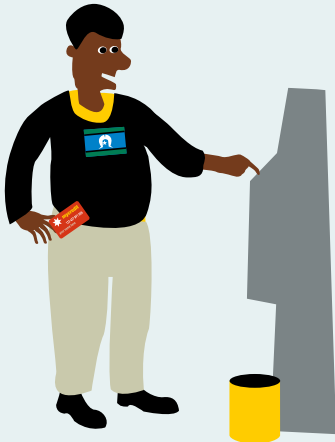
...we found that we had to explain to people how bank accounts worked and why they were needed.

We would also explain to people how ATMs and key cards worked, and the benefits, and we would give them the opportunity to order one if they wanted to use one. We explained to them how they could cope with losing key cards and reordering new ones, the importance of not giving out your PIN number and those sorts of things. We also explained how the new food voucher system was going to work and what it would mean. We had picture-based booklets prepared to help people through that process, to explain it to them. Also we gave people training in using the ATM.

Understanding electronic banking

A survey in Alice Springs indicated that Aboriginal people there had the following difficulties in using electronic banking services:

- * understanding how to obtain a key card,
- * understanding how to replace lost or damaged key cards,
- * understanding how to obtain a new PIN number,
- * securing key cards and key cards breaking,
- * remembering PIN numbers,
- * using ATMs,
- * accessing and understanding bank balances, and
- * understanding bank fees and how to minimise them.



The 15-month training program developed by Tangentyere Council was run by four Aboriginal bank liaison officers. Training involved oral presentations in face-to-face workshops using large illustrated comic book style panels together with a video.

(Source: McDonnell 2003)



MoneyBusiness (FaCS)

After the success of the Family Income Management (FIM) project in Cape York < < see 4.8 page 71 < <, the Department of Family and Community Services (FaCS) was funded for three years to provide intensive financial training in six additional communities (Katherine, Tennant Creek, Galiwin'ku and Nguiu in the Northern Territory, and Kununurra and Geraldton in Western Australia).

The MoneyBusiness project started in 2005. It has three components:

- * The development of Indigenous MoneyBusiness training materials, to be available to Indigenous communities anywhere in Australia.
- * Intensive money management support in six Indigenous communities, provided by workers trained through the Money Business training materials. The workers will be employed by a local community-based organisation.
- * Agreements with financial institutions on project support and/or tailored products and services.

The nationally available training materials package will cover a range of topics such as budgeting, bill paying and purchasing assistance, developing money plans, managing spending pressures, avoiding 'rip-offs', using financial services, Centrelink entitlements and obligations, money and the law, and building healthy local economies.



Traditional Credit Union (TCU)

As well as providing financial services, the TCU gives extensive training to its locally-based Aboriginal staff. This indirectly benefits other community members as staff share their knowledge about financial services in everyday situations in the community.

The TCU engaged George Rrurrambu, a Yolgnu musician, to record a song about keeping card and PIN number secure. The song is played as the 'on hold' message for all TCU callers.

Nhungu ID (Your ID)

Hey blackfella and whitefella

Hear the story of the bank

*Bank gives you card and pin number,
for you, yourself*

Don't you show or give it

To any blackfella, any whitefella

Cos, card and pin number should be kept secret

Cos it's,

Your ID, Your Card, Your Pin Number, Your Bank

Your Money, only yours. (Repeat)

Phone Recorded Message

*Hello, Thankyou for calling the phone banking
service, please keep your card and pin number
private, for more information please contact your
bank.*

It's only for you

Only yours

Don't you give it

No! Don't give it

Whitefella don't give their card to anyone

Cos, card and pin number should be kept secret

Yeah, why we share card and pin number?

The bank gives it to you...

Cos it's,

Your ID, Your Card, Your Pin Number, Your Bank

Your money, only yours.

(Repeat x 3)



The Money \$tory

A number of community organisations use *The Money \$tory* produced by Little Fish (formerly Pangaea) to keep board and committee members and managers better informed about the financial affairs of community organisations and small businesses.

The Money \$tory is a way of presenting financial information in graphical form. Little Fish also delivers a Financial Management Preparation Course to members of community organisations planning to use *The Money \$tory*.

To find out more about The Money \$tory and Little Fish services, go to www.littlefish.com.au

To see an example of how The Money \$tory would present a monthly financial report based on work with the Fred Hollows/Woolworths Indigenous Stores Program, go to www.moneysmart.gov.au

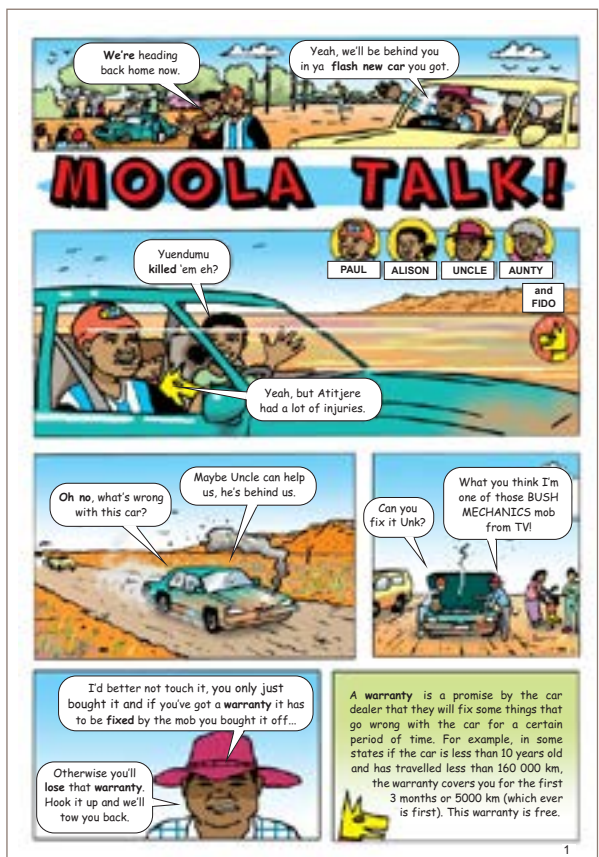
Moola Talk/No Free Moola

Moola Talk and *No Free Moola* are comics produced by ASIC about financial issues for Aboriginal consumers.

The stories are set in remote and regional Aboriginal communities and deal with common financial issues such as credit cards, loans, warranties, banking and insurance.

For free copies of the comics contact ASIC Infoline on 1300 300 630 or email infoline@asic.gov.au

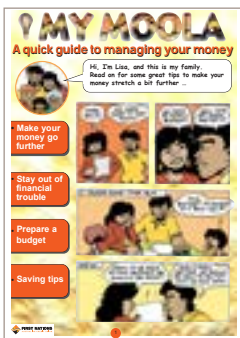
The comics can also be downloaded from www.moneysmart.gov.au



Consumer affairs educational materials

Consumer affairs agencies in each state and territory produce consumer education materials on financial services. Some (like the NSW Office of Fair Trading credit checklist) are targeted to Aboriginal consumers.

> > *For contact details of consumer affairs agencies (including website addresses for their Aboriginal consumer education materials), see 7 Getting help, pages 109–128 > >*

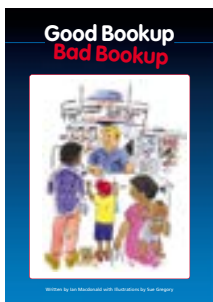


My Moola educational materials

The First Nations Australian Credit Union has produced a series of publications that provide financial information to Aboriginal consumers. The savings comic includes a budget planner.

- * *My Moola: Tips and Advice*
- * *My Moola: A Quick Guide to Managing Your Money (comic)*
- * *My Moola: A Quick Guide to Savings (comic).*

>> *For more information or copies of these publications, go to www.moneysmart.gov.au*



Good Bookup Bad Bookup

The West Australia Financial Counselling Resource Project has produced an illustrated booklet called *Good Book Up Bad Book Up*. It provides advice for consumers and identifies good and bad book up arrangements.

For copies of the booklet, contact the Financial Counselling Resource Project on 08 9221 9411 or go to www.moneysmart.gov.au

Westpac training materials

Westpac has developed materials to help train consumers in using bank accounts. The materials are based on the *Financial First Steps* materials used to train Westpac staff. Westpac has run some training programs with Aboriginal clients (for example, a group of CDEP participants in rural NSW).

Westpac is developing the materials for use with consumers in remote areas who may have low levels of English literacy. These materials are being trialled in communities in the Northern Territory and North Queensland. Westpac has also developed some education materials for the Family Income Management (FIM) project in Cape York, which they hope to adapt for use by others.

Checklists

Checklists can be a useful way to communicate key points, especially when linked with other material like comics or more detailed guides. Here are some examples.

Electronic Funds Transfer Code

You are using an electronic means of transferring money whenever you:

- * get money out of an ATM,
- * buy goods or services on EFTPOS,
- * do telephone or internet banking, or
- * use your credit card over the phone or internet.

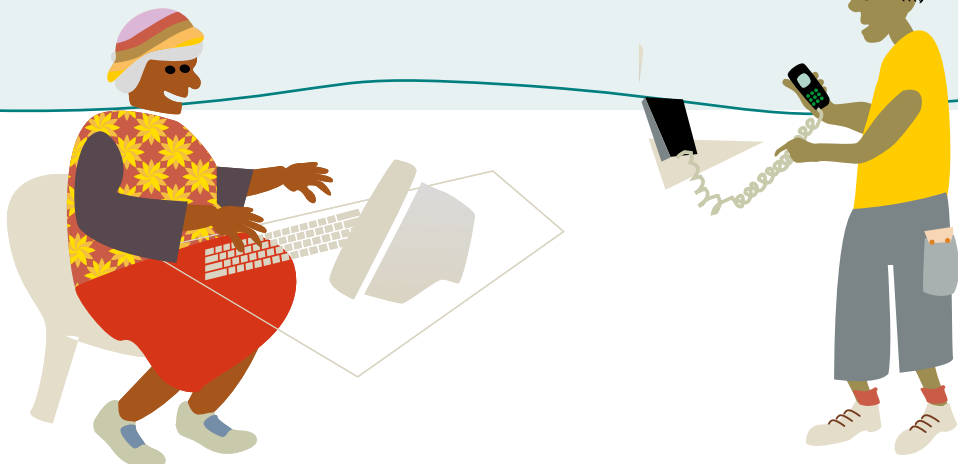


These are known as 'electronic funds transfers' (EFT).

If you use a stored value facility, such as a prepaid phone card, this is also an electronic funds transfer.

The EFT Code is a code of practice which sets out rules about how electronic funds transfers should work. Businesses can choose whether to sign up to the Code. If they do, they must follow the Code in their dealings with you. Almost all banks, credit unions and building societies are members of the Code. The Code sets out what the business must do, what your rights and responsibilities are, and what happens if something goes wrong.

5687
2395
3259
5932
????



Rules of use for debit cards and PIN numbers

Banks have strict rules which consumers must comply with when using debit cards and PIN numbers. Most importantly, banks require consumers to keep their PIN numbers secret. Some people don't realise that they are breaching the terms of their agreement with the bank by giving a trader or a family members their PIN number.

If someone takes money from an account without the account holder's permission, in some cases, the bank will replace that money. But if the account holder has given their PIN number to a trader, family or friends, and this has contributed to the loss of the money, the bank will generally not pay back the money that has been taken.

Here are some guidelines to help you protect the money in your account:

- * Never tell anyone your PIN number or password, not even a family member or friend. Most unauthorised transactions occur because a person gave someone else their PIN number or password.
- * If you use a card to access your account, don't write your PIN number or password on the card or keep an undisguised record of your PIN number or password together with items you may lose or have stolen at the same time as the card.
- * If you don't need a card to access your account but do need more than one PIN number or password, don't keep an undisguised record of the PIN number/s or password/s on items that you are likely to lose or have stolen at the same time.
- * Your bank or credit union might tell you not to choose a PIN number or password which represents your birth date or a recognisable part of your name, and what will happen if you do choose this kind of a PIN number or password. If so, you must not go ahead and choose such a PIN number or password.
- * You must not act with 'extreme carelessness' in failing to keep your PIN number or password secret. For example, writing your password or PIN number down under the heading 'bank PIN number' could be 'extreme carelessness'.



Another condition of use for debit cards and PIN numbers is that if a customer's card is lost or stolen, they must report it to the bank without delay. And if the PIN number is disclosed, the customer must report it straight away. If a customer doesn't comply with these rules, the bank will take no responsibility for funds that are missing or stolen.

(Source: ASIC, Your Guide to the EFT Code, pages 12–13, available at www.moneysmart.gov.au)



From *Moola Talk*, ASIC 2003. Available at www.moneysmart.gov.au



Advice from the Office of Fair Trading about what consumers should do when applying for book up

- * Take someone with you.
- * Get a copy of terms and conditions.
- * Ask if there are any charges or interest.
- * Nominate who can use the account.
- * Ask for an itemised account.
- * Ask for the total amount owing.
- * Keep your own records.
- * Talk to the trader if their and your records are different.
- * Do not give your key card, PIN number, password or bank book to the trader.
- * Ask where your records will be kept and make sure they are in safe secure location.

(Source: NSW Office of Fair Trading, go to www.moneysmart.gov.au)

5.5 More information

The following publications have more information on money skills.

- * The Consumer and Financial Literacy Taskforce *Australian Consumers and Money*, Commonwealth of Australia, 2004
- * G Renouf *Good Practice in Consumer Education for Indigenous People*, ASIC, 2002
- * I Kral and R G Schwab *The realities of Indigenous adult literacy acquisition and practice: Implications for capacity development in remote communities*, CAEPR Discussion Paper No. 257/2003

For more information about any of these publications, go to www.moneysmart.gov.au