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The spatial context of Indigenous service delivery

J. Taylor

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Foreword

This working paper was originally prepared as a contribution to the Reconciliation Australia Banking Workshop in Sydney in May 2002. CAEPR worked closely with Reconciliation Australia on the planning for this workshop, which focused on the delivery of banking and financial services to Indigenous communities. The proceedings of the workshop will be published later this year on CD Rom by Reconciliation Australia. In the meantime, the circulation of this workshop contribution as a CAEPR Working Paper aims to make it readily available to a potentially wider and different audience.

The remaining three papers contributed to the Banking Workshop by CAEPR staff and Centre Associate are also to be published in the Working Paper series on this website. They are:

- 'Generating finance for Indigenous development: Economic realities and innovative options', by Jon Altman (CAEPR Working Paper No. 15).
- 'The potential use of tax incentives for Indigenous businesses on Indigenous land', by Owen Stanley (CAEPR Working Paper No. 17).
- 'Banking on Indigenous communities: Issues, options, and Australian and international best practice', by Siobhan McDonnell and Neil Westbury (Reconciliation Australia) (CAEPR Working Paper No. 18).

In September 2002, CAEPR prepared a submission to the Parliamentary Joint Committee on Corporations and Financial Services Inquiry into the Level of Banking and Financial Services in Rural, Regional and Remote Areas of Australia. This submission will be available at the Parliamentary Joint Committee's website <http://www.aph.gov.au/Senate/committee/corporations_ctte/index.htm>. The Inquiry's terms of reference focus on options for making additional banking services available to rural and regional communities; options for expansion of banking facilities through non-traditional channels; the level of service currently available to rural and regional residents; and international experiences and policies designed to enhance and improve the quality of rural banking services.

The publication of CAEPR's inputs to the Banking and Financial Services Workshop address important issues of public policy. Access to consumer and business banking services remains a fundamental precursor to enhanced economic futures for Indigenous communities in today's world. These papers outline some of the fundamental, but diverse, actions that are needed to address the current banking and financial service delivery shortfalls currently experienced by many Indigenous communities and people.

Professor Jon Altman
Director, CAEPR
October 2002

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Abbreviations and acronyms

ABS	Australian Bureau of Statistics
AGPS	Australian Government Publishing Service
ANU	The Australian National University
ARIA	Accessibility/Remoteness Index of Australia
ASGC	Australian Standard Geographical Classification
ATM	automated teller machine
ATSIC	Aboriginal and Torres Strait Islander Commission
BRS	Bureau of Rural Sciences
CAEPR	Centre for Aboriginal Economic Policy Research
CDEP	Community Development Employment Projects
CHINS	Community Housing and Infrastructure Needs Survey
CURF	Confidentialised Unit Record File
GISCA	National Key Centre for Social Applications of GIS
GST	Goods and Services Tax
OECD	Organisation for Economic Cooperation and Development

Introduction

As with all economic activities that consider proximity to a client base as part of their locational decision-making, the geographic distribution of banking and financial services has, until quite recently at least, been determined largely by a spatial calculus of market demand and supply. In this estimation, market thresholds dictated by population (client) potential have been an overriding factor. Historically, because of the face-to-face mode of service delivery, the consequence was a widely distributed banking infrastructure reaching down the settlement hierarchy to the smallest of rural service centres.

Over the past 15 years this has dramatically changed. As demonstrated by the House of Representatives Inquiry into Regional Banking Services (Commonwealth of Australia 1999), and as summarised by Beal (2002), market dynamics have induced a restructuring of the banking and financial services sector involving a shift away from face-to-face service delivery, due to branch closures, towards electronic modes of customer interaction. This, in turn, has undermined the link between population distribution and service distribution, at least in its classical form as a close relationship throughout the settlement hierarchy. At the same time, it could be argued that rationalisation of the system has an entirely demographic rationale—as a retreat of infrastructure to the larger centres of population with enhanced economies of scale and profitability. According to one submission to the House of Representatives Inquiry, individual banks review the trends in an area, look at what has happened to their business over the long term, and make projections as to what is likely to happen (Commonwealth of Australia 1999: 20). If the answers point to reduced profitability, then decisions are made to downgrade or foreclose.

According to the findings of the inquiry (Commonwealth of Australia 1999: 27), the withdrawal or downgrading of banking services can impact on individuals in a number of ways.

- Individuals suffer the inconvenience of having to travel to do their banking. This can have security implications if large amounts of cash are involved. This also adds to the cost of banking through fuel costs, wear on vehicles, and time expended.
- Savings are reduced due to the disruption of regular savings patterns and the increased cost of banking.
- Cash withdrawals are larger to compensate for loss of daily access to banks, which also has security implications.
- Loss of investment income.
- Difficulty in obtaining credit from banks.
- The increased need for credit from local businesses in lieu of cash.
- Difficulties in cashing cheques; and
- Lack of access to financial advice.

As for the impact on businesses and other corporate entities, similar effects in regard to increased travel are obviously felt, but the inquiry specifically notes the following (Commonwealth of Australia 1999: 28):

- an increase in the demand for cheque-cashing services;
- the loss of cash sales due to consumers shopping in larger towns that have banking services;
- the accumulation of excess cash due to an inability to deposit takings on a daily basis;
- an increase in bad debts due to the need to extend credit to local customers who do not have regular access to cash; and
- delays in depositing cheques, which then delays the honouring of cheques.

From the perspective of Indigenous individuals, families, households, community organisations and enterprises, these impacts must be considered against a background of relatively low economic status and a financial cycle in many localities that is best described as one of feast and famine (Westbury 1999). Thus the essential framework for an

appreciation of appropriate policy responses to recent changes in banking infrastructure is a combination of spatial and socioeconomic contexts—who is in touch with what services, who is not, and where?

This paper seeks to provide such a framework by outlining the nature of Indigenous population and settlement distribution. Comparison with the majority non-Indigenous population is made as it is the market power of the latter which provides the stimulus for decision-making regarding the spatial allocation of mainstream services. A second aim is to provide summary standard indicators of relative Indigenous socioeconomic status, particularly those that may have some bearing on options for the provision and delivery of appropriate banking and financial services.

It should be understood that the emphasis in this scene-setting is on issues to do with the physical access of Indigenous people to services as determined by their geographic proximity, and to a lesser extent by their economic capacity. Behavioural influences on service access, such as might flow from social and cultural practice, are not considered, even though it is recognised that these may often hold great sway. Also to be noted is a distinction drawn between personal banking services in the form of personal accounts, loans and financial advice, and commercial or corporate banking services that handle monies administered by organisations and enterprises. Because of a lack of data with which to quantify demand for the latter services, this paper is mainly focused by default on issues related to personal banking services.

Remote Australia—the tyranny of distance

One of the lasting impacts of European settlement in Australia has been a redistribution of Indigenous peoples into a wide variety of locational settings, though with an emphasis still very much on non-metropolitan residence. This provides for quite varied structural circumstances in regard to the manner and degree of Indigenous articulation with market-focused economic and social systems. Combined with rapid population growth, aspects of this locational diversity present fundamental constraints on policies aimed at improving economic well-being.

Today, approximately 28 per cent of the Indigenous population is resident in areas that are remote from centres of population and their attendant services. This compares with barely 3 per cent of the non-Indigenous Australian population which, since the time of first settlement, has always displayed a predisposition towards residence in larger towns and cities.

Reference to remote Australia is longstanding in regional analysis. It essentially draws attention to a distinction in social and economic geography between the closely settled parts of the continent and the much larger area which is sparsely settled, and where economic development and service provision are severely impeded by force of relative locational disadvantage and low accessibility (Faulkner & French 1983; Hugo 1986; Holmes 1988; Logan et al. 1975: 64). Various operational definitions of remoteness have existed, with official delineation now represented by a Remoteness Structure within the Australian Standard Geographical Classification (ASGC) (Australian Bureau of Statistics (ABS) 2000a). This is constructed on the basis of scores from the Accessibility/Remoteness Index of Australia (ARIA) which, in turn, are derived from measures of road distance from any point to the nearest town (service centre) in each of five population size classes. In this calculation, the population size of service centres is used as a proxy measure of the range of services available, and road distance is used as a proxy for the degree of remoteness from those services (ABS 2001a, 2001b). Thus the Remoteness Structure provides a summary measure of the degree to which the population of a given locality is restricted in its physical access to the widest range of goods and services and opportunities for social interaction (ABS 2001a: 19).

Use of this classification is made possible by developments in spatial information systems which present enormous potential for monitoring the changing spatial distribution of service infrastructure, and for linking this to other relevant social and economic variables of

public policy interest (Hugo, 2001). Of particular interest here is the use of spatial information systems by the Bureau of Rural Sciences (BRS) and the National Key Centre for Social Applications of GIS (GISCA) to develop measures of accessibility to services in non-metropolitan Australia, including access to banks, credit unions and post offices (BRS & GISCA 2000).

While development of the ASGC provides for more meaningful expression of the structural effects of location than hitherto available, the debate about how best to measure accessibility to services continues (ABS 2001b; Griffith 2000; Holmes 1988: 68–72). Other models do exist, for example, via the Griffith Service Access Frame, which incorporates a measure of the economic capacity of populations to access specific services (Griffith 2000). Given that a notion of service access is the common underlying measure of remoteness, it is useful to recall that the social and economic dimensions of Indigenous Australia have also been described with reference to a ‘boundary’ between what Rowley (1971), for example, referred to as ‘colonial’ and ‘settled’ Australia. This was in recognition of the much higher proportions of Indigenous people in remote areas and the exclusionary manner of their articulation with wider social and economic structures.

Indigenous population distribution

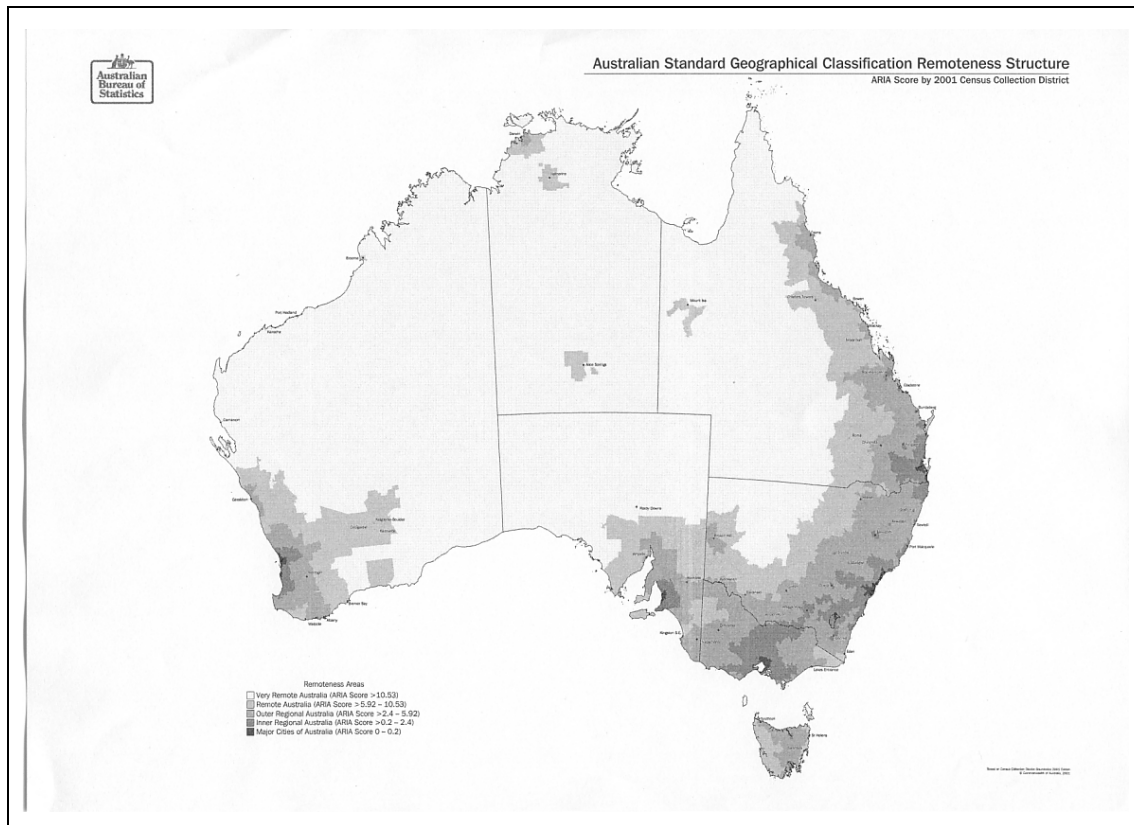
Since 1971 the enumerated Indigenous population has been increasingly located in urban areas (population clusters of more than 1,000), with a growing share in major cities (more than 100,000). The proportion of the Indigenous population resident in urban areas rose from just 44 per cent in 1971 to 73 per cent in 1996. At the same time, 30 per cent of Indigenous Australians are now resident in major cities, and while this remains considerably less than the total population (63%), it nonetheless represents a doubling in proportion since 1971.

If anything, these latter figures understate both the extent and rapid rise in the Indigenous population enumerated in major cities, especially in terms of their proximity to conurbations. The criteria used to classify statistical units as urban or rural are based on measures of population density, land use and spatial contiguity. This means that many people who may reasonably be regarded as forming part of a city region are not classified as urban dwellers. By adding peri-urban areas based on statistical divisions, 27 per cent of the Indigenous population was classified as resident in major city regions in 1991. By 1996 this figure had risen to 36 per cent. This growth in recorded urban numbers has created a shift, since the 1960s, in the continental distribution of Indigenous population from the north and west towards the south and east, resulting in a rise in population numbers in more closely settled areas where access to services is greatest.

For the first time, the ASGC Remoteness Structure provides some notional measure of the impact of this shifting distribution on Indigenous accessibility to services. Five classes of remoteness are identified in the ASGC, ranging from areas that are highly accessible to services to those that are very remote from services. The actual ARIA definition refers to a continuum, from those areas where geographic distance imposes minimal restriction on physical access to the widest range of goods, services and opportunities for social interaction, to those where such restriction is highest (ABS 2001a: 19). In the ASGC, these classes are assigned a geographic descriptor, and the estimated numbers of Indigenous and total populations in each category in 1996 are shown in Table 1, while Fig. 1 shows their spatial extent.

In Fig. 1, areas with the lightest shading are classified as very remote, remote areas are the next darkest shading and so on through to major cities. Clearly, the bulk of the Australian land mass is classified as either very remote or remote, with areas of high accessibility to services confined to eastern, southern and southwestern seaboard and immediate hinterlands. While all jurisdictions include remote areas, most of the Northern Territory, Western Australia and Queensland is classified as very remote, as is most of the western half of New South Wales.

Fig. 1. The spatial distribution of remoteness categories within the ASGC Remoteness Structure



Source: ABS 2001b: 19.

Against this geography, Table 1 shows that almost half of the Indigenous population (48%) is resident in major cities and their immediate hinterlands where geographic distance is only a minor inhibitor of access to the widest range of services, if at all. Of the remainder of the population, 24 per cent live in outer regional areas where moderate restriction on access to services is experienced, while 28 per cent live in remote and very remote areas where physical restriction on access to services is calculated as high to very high. In each of these circumstances, and in respect of these population proportions, it is assumed that physical access to banking and financial services is hampered accordingly.

As Table 1 also indicates, this Indigenous distribution is markedly different from that displayed by the population as a whole. The vast majority of Australians (87%) reside in areas of high proximity to the widest range of services. At the other extreme, less than 3 per cent are located in remote and very remote areas. One impact of this differential distribution is seen in the substantial over-representation of the Indigenous population in the remotest regions, as benchmarked against their 2.1 per cent share of the national population. Thus in very remote areas where severe restriction on access to services is experienced, Indigenous people account for as much as 42 per cent of the population. As we shall see, Indigenous detachment from services in this area is actually more pronounced than the basic Remoteness Structure can portray. This reflects unique aspects of the Indigenous settlement pattern, as well as the low socioeconomic status of the population. In emphasising these points, the focus of this paper is on the population and settlement patterns in remote and very remote areas.

Table 1. Distribution of Indigenous and total populations by ASGC Remoteness Structure, 1996

Remoteness category	Total population (no.)	Indigenous population (no.)	Total population (%)	Indigenous population (%)	Indigenous share of total (%)
Major city	12.10m	113,825	66.1	29.5	0.9
Inner regional	3.70m	71,825	20.5	18.6	1.9
Outer regional	1.90m	91,844	10.7	23.8	4.7
Remote	0.30m	36,760	1.8	9.5	11.2
Very remote	0.17m	71,602	0.9	18.6	41.6
Total	18.30m	385,856	100.0	100.0	100.0

Source: ABS 1996 Census of Population and Housing, customised tables.

Remote population and settlement patterns

For some decades now, demographic trends in remote Australia have been volatile. Since 1981 the Indigenous share of the total population within an area approximating the remote and very remote categories of the ASGC Remoteness Structure rose steadily from 12 per cent to almost 20 per cent in 1996 (Taylor 2000). This occurred as a consequence of differential population dynamics—the Indigenous population is much younger in age profile, and has experienced a much higher rate of natural increase than the population in general. Also, many Indigenous people in remote areas reside close to their ancestral homes and their attachment to such places is reflected in a relative lack of net out-migration (Gray 1989; Taylor 1992; Taylor & Bell 1996). This contrasts with the historically more recent and ephemeral non-Indigenous settlement of the outback, with the experience of recent decades being one of an ageing population and generalised out-migration leading to population decline in many non-metropolitan districts (ABS 2002; Bell 1992; Bell & Maher 1995; McKenzie 1994).

Since 1981 the Indigenous population in remote areas of Australia has grown by 23 per cent. By contrast, since 1986 overall non-Indigenous population growth has been negative (Taylor 2000). Away from the larger mining towns and service centres of remote Australia, it is appropriate now, more than ever before in recent history, to refer to Indigenous domains in the sense that the Indigenous population by and large constitutes the public.

This trend towards a rising Indigenous share of remote area population appears set to continue. Projections to 2016 of the Indigenous population in selected regions across much of remote Australia indicate a rapidly growing Indigenous population in Cape York Peninsula, West Arnhem Land and the Gulf country of the Northern Territory, and more moderate but nonetheless sustained growth in the East Kimberley region and across the arid zone (Taylor 2002; Taylor & Bell 2001a, 2001b, 2002). Against this, population growth scenarios implied for the non-Indigenous component of the population in these same regions are in many instances negative, and at best (in the Kimberley and the arid zone) barely positive (ABS 2000b). Thus across the arid zone, the Indigenous population is projected to rise from 37,000 in 2001 to 45,000 in 2016, representing an increase in the regional share of total population from 20 per cent to 24 per cent. In the combined regions across the wet tropics from Cape York to the Kimberley, equivalent projections indicate a rise in Indigenous population from 25,600 to 32,400, representing an increase in population share from 38 per cent to 42 per cent.

Indigenous settlement patterns

Alongside these demographic trends, there has been in recent years a substantial transfer of land across remote Australia to Aboriginal ownership and stakeholder interest, with the prospect of more to come via land purchase and native title claims. According to Pollack

(2001), Indigenous landholdings in 1996 accounted for at least 15 per cent of the Australian land mass. The vast bulk of this area was found in remote Australia, mostly in the Northern Territory, followed by Western Australia, South Australia and Queensland. In the Northern Territory these substantial holdings comprised half of the land area.

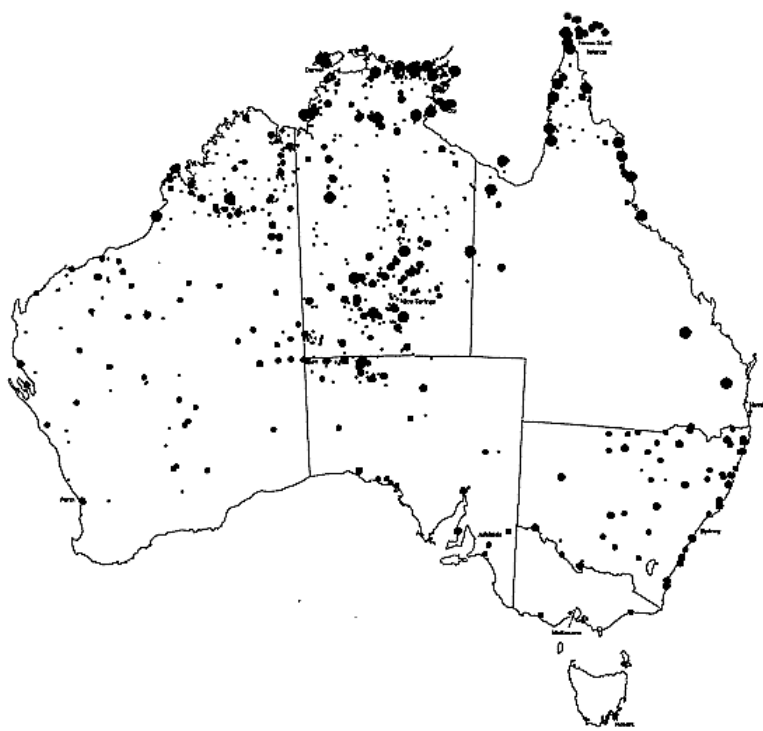
This land transfer is an important element of the post-productivist transition in Australia's rangelands (Holmes forthcoming), and newly recognised land values often lie outside the market economy, being more culturally based. One such response is manifest in the emergence of a distinct settlement structure on Aboriginal lands involving the formation of numerous, dispersed, small and discrete Indigenous communities, especially in the Northern Territory, Western Australia and the far north of South Australia. This provides for quite different residential settings for Indigenous and non-Indigenous populations, with consequences for their relative access to banking and financial services.

The opportunity to describe this emergent Indigenous settlement structure in more detail is now available from the 1999 and 2001 ABS Community Housing and Infrastructure Surveys (CHINS), which identify the size (by estimated service population) of discrete Indigenous communities. In ABS parlance, discrete communities are defined as geographic locations that are bounded by physical or cadastral boundaries, and inhabited or intended to be inhabited predominantly by Indigenous people (more than 50%), with housing and infrastructure that is either owned or managed on a community basis (ABS 2000c: 66). Such communities represent Indigenous living areas formerly constituted as government and mission settlements or reserves. They also include special-purpose lease areas within towns, as well as excision communities on pastoral stations. They are located in all states and territories but are found overwhelmingly in Queensland, Western Australia, South Australia and the Northern Territory, with major concentrations in Central Australia, the Kimberley, the Top End of the Northern Territory and Cape York Peninsula, as indicated in Fig. 2.

Most, if not all, of these communities were established for the purpose of administering Aboriginal welfare policies, or simply as camping areas removed from white society. As such, they required no modern economic base, nor have they subsequently acquired one, at least not in a manner that is sustainable beyond the provisions of the welfare state. The consequences for socioeconomic status are considered later. Here, the point to note is that services, and especially those of private sector institutions, such as banks, historically bypassed such localities, not solely because of their remote location and perceived inadequate market potential, but also because of their institutional status as essentially state-sponsored settlements.

Across the continent, a total of 1,291 such communities were identified in 1999, with a total reported (service) population of 109,994. However, as Fig. 1 shows, the vast majority of discrete communities (1,187) are located in remote and very remote areas, and the combined population of these amounted to 88,723. One data item collected for each community by CHINS was the location of the nearest town that people usually go to for banking and major shopping services. Against this criterion, 1,055 communities were recorded as physically distant from banking services, involving a combined population of 78,913. The balance of 132 communities and 9,810 people was located within a local service centre.

For the first time these figures present the underbelly of the Australian settlement hierarchy. They identify some 80,000 Indigenous Australians who not only fall firmly within the definition of remote from a national perspective of service access, but are physically detached even within this area. On any objective statistical measure of accessibility, these localities excel in their separation from mainstream economic and social infrastructure. They are poorly connected to transport networks and often distant from even the smallest rural service centres. They are widely dispersed and small in size, providing, individually at least, a limited market demand for goods and services.

Fig. 2. Distribution of discrete Indigenous communities

Source: ABS 2000b.

One measure of market potential is provided by settlement size and Table 2 shows the distribution of remote area populations by settlement size for those communities physically removed from service towns. The first point to note is that the vast majority of communities (830, or 79%) are very small in size (less than 50 people). Collectively, though, these small places account for only 13,633 people, or 17 per cent of the total. More importantly, from the perspective of service provision, is the fact that almost 61 per cent of the population located away from a service centre (50,000 people) is in settlements of less than 500 people, and the vast majority of these in very remote areas. Such places are unlikely to have ever had direct access to banking services due to their small size, remote location, recency of establishment (in many cases) and institutional history. The prospect that they now never will (at least in the form of a bank branch) is underscored by the finding of the House of Representatives inquiry. This finding was that branch closures in recent years have been negatively correlated with settlement size, and that localities of less than 600 people have been the most affected, with 75 per cent also without access to other bank branches (Commonwealth of Australia 1999: 12–13).

Table 2. Discrete Indigenous communities isolated from service centres in remote Australia, by settlement size

Settlement size	Total		Remote		Very remote	
	Communities	Population	Communities	Population	Communities	Population
1–19	555	5,483	71	642	484	4,841
20–49	275	8,150	34	915	241	7,235
50–99	69	4,581	4	250	65	4,331
100–199	48	6,618	6	750	42	5,868
200–499	77	23,700	7	1,785	70	21,915
500–999	16	11,023	3	1,650	13	9,373
1000+	15	19,358	0	0	15	19,358
Total	1,055	78,913	125	5,992	930	72,921

Source: ABS 1999 CHINS Confidentialised Unit Record File (CURF).

A counter trend to bank branch closures identified by the House of Representatives inquiry, and highlighted again by Beal (forthcoming), has been an upsurge in the use of Commonwealth Bank/Australia Post agencies and credit unions, and increased availability of self-service methods of banking such as automated teller machines (ATMs), EFTPOS, telephone and internet banking. While data are not to hand regarding the availability of these latter facilities in discrete Indigenous communities, access to credit unions and to EFTPOS appear the most likely to have grown. The first has grown because of concerted efforts on the part of some credit unions to establish a market in Indigenous communities; the second because of the growing diffusion of EFTPOS technology in community-owned stores, partly as a consequence of the introduction of the Goods and Services Tax (GST) (Taylor & Westbury 2000: 34). Some capacity for access to banking services also exists via Australia Post agencies.

One measure of whether a community has at least some capacity to host EFTPOS technology or Australia Post facilities is whether they have a store or administrative building. According to CHINS data, 854 communities, with a combined population of almost 17,000 people, have no store or administrative building (see Table 3). Not surprisingly, the vast majority of these are small communities; indeed the settlement size threshold for such facilities appears to be a population of at least 50 people. In effect, these places and populations without such infrastructure are unequivocally the most detached from banking and financial services. While the numbers involved appear relatively minor, this is an absolute minimum as the fact of having a store or administrative building does not necessarily guarantee access to banking.

Table 3. Communities in remote Australia without a store or administrative building

Settlement size	Number of communities	Reported population
1–19	551	5,442
20–49	269	7,976
50–99	24	1,582
100–199	7	1,054
200–499	3	900
Total	854	16,954

Source: ABS 1999 CHINS CURF.

Access to banking and financial services—the BRS/GISCA study

The BRS/GISCA study of access to services in non-metropolitan Australia included measures of access to banks, credit unions and post offices (BRS & GISCA 2000). In this study, access was defined by applying ARIA scores, and a distance of 80 kilometres to the nearest bank, credit union or post office was chosen as the critical cut-off point as this translated into a one-hour driving distance outside of capital cities and major regional centres. While this distance choice is arbitrary, some basis for relative measurement was necessary.

Access to banks

Aside from small pockets around service towns such as Darwin, Alice Springs, Mount Isa, Port Hedland and Kalgoorlie, the vast majority of settlements located more than 80 kilometres from a bank in 2000 were almost exclusively found in remote and very remote regions as defined by the ASGC. Viewed another way, all populations in major cities and inner regional areas lived within 80 kilometres of the nearest bank, as did most people in outer regional areas.

Given the imbalance in population distribution already described for Indigenous and other Australians, this pattern of banking access has considerable policy consequence. Overall, 99.4 per cent of non-Indigenous Australians live within 80 kilometres, or one hour's drive, from a bank. At the national scale this would appear close to universal access, but for the Indigenous population the proportion is much lower, at 84 per cent. Thus 16 per cent of the Indigenous population live more than 80 kilometres from a bank, and often at distances much greater than this. Using 1996 Census data, this amounted to 56,530 Indigenous people, with 25,360 of these in the Northern Territory, 15,500 in Queensland and 11,450 in Western Australia. Altogether, 154,500 people live more than 80 kilometres from a bank, and Indigenous people account for as much as 37 per cent of these.

Access to credit unions

Credit unions are located within 80 kilometres of 97.4 per cent of Australians. As with banks, areas that lie beyond this range predominate and are widespread throughout remote and very remote parts of the continent, although relatively low access also extends into parts of the southwest of Western Australia.

Using 1996 Census data, almost 80,000 Indigenous people (22% of the total) live more than 80 kilometres from a credit union, compared to 379,000 non-Indigenous people (2% of the total). As with banks, the largest Indigenous numbers with low access were found in the Northern Territory (29,300), followed by Western Australia (23,350), Queensland (14,600) and New South Wales (6,500). Overall, Indigenous people comprised 17 per cent of the population with relatively low access to credit unions.

Access to post offices

Given the inevitable link between postal services and household delivery points, access to post offices is the most widespread of the three services described here. Many small service towns have retained some postal service and across remote Australia in 2000 there were 275 licensed post offices and post office agencies, and 190 community postal agencies (Australia Post 2000). Consequently, as much as 99.7 per cent of non-Indigenous Australians live within 80 kilometres of the nearest post office, although the figure for Indigenous Australians is notably lower, at 88.5 per cent. This amounts to an Indigenous population of 40,600, which is almost half (44%) of all those with low access to post offices.

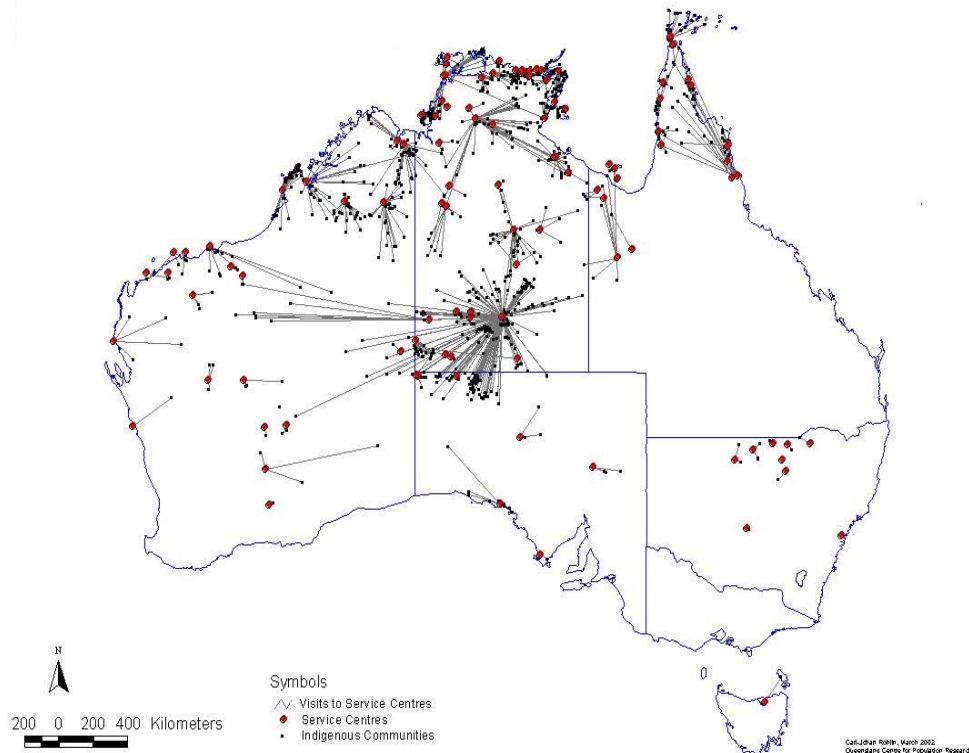
Journey to services

Using the BRS/GISCA findings, upwards of 80,000 Indigenous Australians—more than one-fifth—are physically remote from banking and financial services. It is interesting to note that the size of this population estimate is supported by data from the 1999 CHINS, as shown in Table 1. Assuming that people still have need of services and seek to utilise them, this separation of people from services generates substantial population mobility. The fact is, despite the predominance of usual residence in small, widely dispersed communities, urban centres loom large in the lives of remote Indigenous populations. According to one calculation from census data, as much as 10 per cent of Indigenous populations in regional centres such as Darwin and Alice Springs is made up of temporary residents from smaller rural communities (Taylor 1998).

The effect of this mobility to service centres is to create a pool or catchment of population around each service town. Some sense of the size of these population catchments, and their spatial extent, is provided for the first time using data from the 1999 CHINS, which asked key informants to indicate the nearest town that members of each community usually go to for banking and major shopping services. In answering this, a total of 96 service centres across remote and very remote Australia were identified. These ranged in size from large centres such as Darwin and Cairns, to small localities such as Timber Creek and Bamaga.

An indication of the spatial pattern of these catchment areas is provided in Fig. 3, while Table 4 shows the major service centres ranked according to the number of communities they service and the population served.

Fig. 3. Journey to service centres: discrete communities in remote Australia, 1999



Source: ABS 1999 CHINS CURF.

Some subjectivity applies to these data due to the nature of the survey methodology, based on key informants. Also, the nature of banking services accessed at each service centre is unknown, although this no doubt ranges from a full bank branch to an EFTPOS facility at a community store. With these caveats in mind, Fig. 3 clearly illustrates the major role played by Alice Springs in servicing vast areas of Central Australia. In all, 259 communities nominate Alice Springs as their primary source of banking services, and this encompasses a population of some 15,000. Moving north, Darwin and Katherine emerge as other major regional centres, as are Thursday Island, Broome and Nhulunbuy. Away from these, a string of smaller centres emerge, as measured by the size of populations serviced. These include Mount Isa, Cairns, Cooktown, Weipa and Bamaga in Queensland; Tennant Creek, Jabiru, Maningrida and Yulara in the Northern Territory; and Derby, Halls Creek, Fitzroy Crossing and Kununurra in Western Australia. Elsewhere, catchments are quite small and some surprises emerge. For example, the apparent minor role played by Port Hedland—part of which appears to be due to a watershed between the Western Desert region and the Pilbara whereby some desert populations appear to retain allegiance to Kintore in the Northern Territory. Another feature of note is the vast distances traversed within many of the catchment areas. Once again, communities linked to Alice Springs stand out, but so do those associated with Port Hedland, Derby, Kununurra, Katherine, Mount Isa and Cairns.

Table 4. Service centre catchment populations, 1999

Service centre	Communities serviced	Service centre	Population serviced
Alice Springs	259	Alice Springs	15,112
Broome	61	Darwin	7,963
Katherine	50	Katherine	7,254
Kununurra	42	Thursday Island	6,674
Maningrida	39	Nhulunbuy	4,426
Nhulunbuy	32	Mount Isa	3,803
Halls Creek	30	Cairns	2,910
Darwin	28	Broome	2,777
Tennant Creek	27	Weipa	2,227
Derby	26	Cooktown	1,894
Fitzroy Crossing	26	Halls Creek	1,863
Galiwin'ku	26	Kununurra	1,720
Borrooloola	22	Derby	1,676
Gununa	22	Fitzroy Crossing	1,452
Docker River	18	Tennant Creek	1,428
Port Keats	17	Jabiru	1,299
Thursday Island	16	Bamaga	1,187
Mount Isa	14	Alyangula	998
Cairns	13	Bamaga	962
Port Hedland	13	Maningrida	795
Jabiru	12	Ceduna	752
Kunbarllanjja	12	Yulara	678

Source: ABS 1999 CHINS CURF.

Depending on the nature of banking services sought, it seems likely that any further rationalisation of banking infrastructure in remote and very remote areas would have a major impact on spatial mobility, thus adding to the costs of accessing services. According to CHINS data, in remote Australia a total of 62 discrete Indigenous communities are located more than one hour's drive from the service town that they utilise for banking services, although this represents a population of only 2,610. In very remote areas, however, as many as 553 communities are in this category, involving a population of 41,700. Of course, these data take no account of the actual costs of travel, in fuel, wear and tear on vehicles, or fares. Even for the 34,600 people who live in the 440 communities that lie within one hour's drive to the nearest service centre, such costs can be high and transport options are limited. For example, in the absence of a regular bus service, taxis are a common form of transport from Barunga to Katherine, and the current cost of hiring a taxi for the 50-minute trip is \$140 (pers. comm. Irene Fisher, Jawoyn Association, Katherine, 16 April 2002).

Socioeconomic status

It is not so much people that banks and financial institutions provide services for, it is their money and investment potential—a fact partly underlined by the withdrawal of face-to-face services. Likewise, individuals with very few economic resources and little, if any, savings, investment or loan potential, are less likely to demand the range of mainstream services available, or to be sought after by mainstream financial institutions. They may, however, have need of alternative banking and financial services, ones that are more customised to the needs of low-income clients.

A substantial literature exists detailing the low economic status of Indigenous Australians and examining underlying causes over the past 30 years (Altman 2000; Hunter 1999).

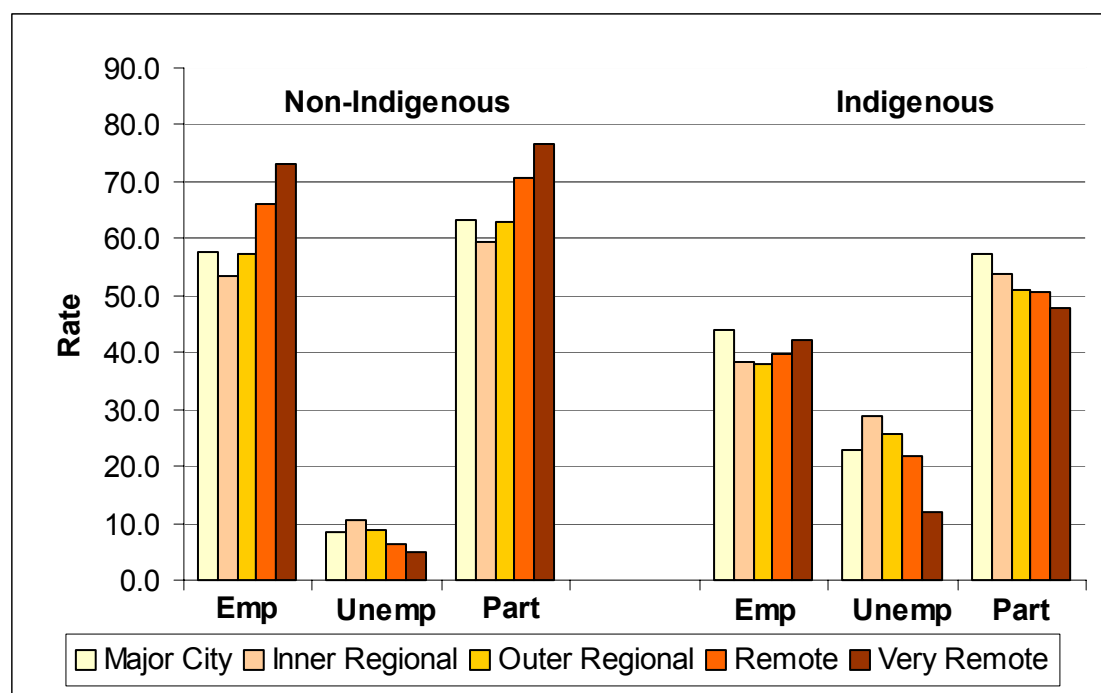
Common threads in explanation focus around the themes of locational disadvantage, poor human capital endowments and the historic legacy of exclusion from the mainstream provisions of the Australian state. While poverty remains widespread, there is differentiation within the Indigenous population, with indicators of economic status, such as income levels and home ownership, more favourable in the south and east of the continent, and in the cities as opposed to the bush (Jones 1994; Taylor 1993).

Employment status

A major source and key indicator of Indigenous socioeconomic disadvantage is relatively poor labour force status. Not only are Indigenous Australians far less likely to participate in the labour force than other Australians, but those who do are also far less likely to be employed, and far more likely to be unemployed. At the 1996 Census, a total of 82,344 Indigenous people were recorded as employed. However, 18,565 of these were estimated to be employed by the Community Development Employment Projects (CDEP) scheme, and 6,062 were engaged by wage subsidy labour market programs (Taylor & Bell 1998). Those employed independently of government labour market program intervention therefore amounted to only 57,626, or 27.2 per cent of the adult population. Compared to the situation in 1991, this represented an increase in mainstream employment of 3,819, although the share of the adult population in such employment declined from 28.5 per cent five years earlier. The non-Indigenous employment rate in 1996 was 55 per cent. Thus in the first half of the 1990s, the employment status of Indigenous Australians can best be described as static and relatively poor. Estimates of Indigenous labour force status from the ABS Labour Force Survey covering the subsequent period to 2001 indicate little change in this situation (ABS, 2000d, 2002; Hunter & Taylor, 2001).

It is not possible to disentangle mainstream and government-supported employment at anything other than the national level. Analysis of labour force status according to remoteness therefore refers to all forms of recorded employment, including that generated by participation in the CDEP scheme, and in wage subsidy labour market programs. The distribution of Indigenous and non-Indigenous labour force status by remoteness category is shown in Fig. 4.

Aside from the fact that Indigenous employment and participation rates are much lower than non-Indigenous rates across all remoteness categories, and that Indigenous unemployment rates are also much higher, the main feature to emerge is that non-Indigenous participation in the labour force rises with remoteness, while Indigenous participation falls. In major cities, the Indigenous participation rate is 57 per cent, in very remote regions it is 47 per cent. In other words, more than half of all Indigenous adults in remote Australia are not in the labour force. By contrast, almost 80 per cent of non-Indigenous Australians in very remote regions are in the labour force and, given the low unemployment rate among this group, the vast majority are employed. This underscores the fact that access to jobs is a primary reason for a non-Indigenous presence in much of remote Australia—a fact reflected in the age structure of non-Indigenous residents, with a heavy emphasis on working age groups (Taylor 2002). It has also been observed that patterns of net migration in remote areas correlate highly with employment trends (Bell & Maher 1995). By contrast, Indigenous people reside in remote areas in spite of their employment status.

Fig. 4. Indigenous and non-Indigenous labour force status by remoteness category, 1996

Note: Emp = employment; Unemp = unemployment; Part = participation
 Source: ABS 1996 Census of Population and Housing, customised tables.

One feature of figure 4 that requires some explanation is the decline in Indigenous unemployment, and rise in employment, with increasing remoteness. This is entirely due to the presence of CDEP in most remote communities, which has the effect of classifying as employed individuals who would otherwise be classified as unemployed. In remote and very remote Australia in 1996, CDEP accounted for 53 per cent of all Indigenous employment (Altman & Gray 2000: 7).

The actual numbers of Indigenous people by labour force status are shown for each remoteness category in Table 5. This indicates that almost 30,000 adults in remote and very remote Australia are outside of the labour force and, while the number classified as unemployed is relatively small (4,186), this would be more like 15,186 if one estimate of those participating in CDEP schemes in these regions were added (Altman & Gray 2000: 7). Such a reclassification would reduce the numbers employed in remote and very remote Australia from 23,354 to just 12,354. In terms of the delivery of banking and financial services, the implications for Indigenous income status of these labour force data are the key concern.

Table 5. Indigenous adults by remoteness category and labour force status, 1996

Remoteness category	Employed	Unemployed	Not in labour force	15+
Major city	26,823	7,968	26,079	60,870
Inner regional	13,765	5,577	16,588	35,930
Outer regional	17,938	6,169	23,043	47,150
Remote	7,326	2,040	9,154	18,520
Very remote	16,028	2,146	19,864	38,038
Total	81,880	23,900	94,728	200,508

Source: ABS 1996 Census of Population and Housing, customised tables.

Personal income status

Personal income for Indigenous people is derived from a range of sources. Typically, these include wage labour—mostly in mainstream employment, but for around one-quarter of the workforce, from CDEP. Only 3 per cent of Indigenous workers are self-employed. Private income may also derive from royalties and other payments to traditional landowners, as well as from the sale of art works, crafts and other products. Payments for access to and use of Aboriginal title land and areas under claim, as well as for disturbance of areas of spiritual significance, also provide localised but significant potential sources of income. It is important to note that the geographic coverage of such payments has potential to increase under native title legislation, although access to the details of such arrangements is often problematic. Income from non-employment sources includes that from unemployment benefits and other payments from Centrelink. In remote areas, a realistic assessment of income status might also consider imputed non-cash income from subsistence activities. However, quantitative data for assessing the significance of this simply do not exist.

Accurate data on overall levels of income and employment and non-employment sources of income are notoriously difficult to obtain due to a variety of conceptual and enumeration problems. For one thing, most measures of income refer to period of time, such as annual or weekly income, whereas the flow of income to individuals and households is often intermittent. Census data, for example, are collected for all sources of income in respect of a ‘usual week’ and then rounded up to annual income. What might constitute ‘usual weekly’ income for many individuals is difficult to determine. On the credit side, there is the likelihood of intermittent employment and windfall gains from sources such as gambling, cash loans and royalty payments. This sort of income combines with debits, for example, due to loss of employment and cash transfers to others, to create a highly complex picture, even over a short space of time, and one that census methods of data gathering are likely to misrepresent (Smith 1991a).

Thus, pre-tax gross personal income reported in the census is intended to include family allowances, pensions, unemployment benefits, student allowances, maintenance, superannuation, wages, salary, dividends, rents received, interest received, business or farm income and workers’ compensation received. Whether all such sources are reported, however, is unknown. Certainly, anecdotal evidence regarding large amounts paid to individuals in some royalty distributions, or from the sale of some arts and crafts, is difficult to reconcile with the general picture of low incomes, especially in very remote areas. Ultimately, the problem here is the lack of any rigorous assessment of income reporting, although this difficulty can be levelled at census reporting generally, not just at Indigenous data. Despite such drawbacks, the fact remains that the census provides the most comprehensive source of personal income data based on a consistent methodology.

It needs to be emphasised, however, that census data refer to gross income only and do not adequately reflect the circumstances of individuals in terms of disposable income or assets. This is a crucial issue in determining true economic status, but unfortunately one which is poorly informed by available data. To take just one example, housing and associated costs generally comprise a major expense in individual and household budgets in Australia. In many remote communities, however, subsidised arrangements exist to offset these costs and, in any case, people do not have the option to asset-build through home ownership. While acknowledging such factors, it is impossible to fully establish disposable income without detailed individual or household surveys of Indigenous income and expenditure—something that has rarely been achieved (Senior, Perkins & Bern 2002; Smith 1991a, 1991b).

At the same time, the income levels reported in the census provide at least a base measure of material worth and point to a relatively high degree of Indigenous poverty. Only 33 per cent of Indigenous adults had personal incomes above the weekly median of \$294 recorded for all Australians in 1996. Thus at least 126,000 Indigenous adults had either no income (12,600) or an income below the national median (113,500).¹ One-third of those with no income or an income below the national median (41,500) were located in remote Australia.

It is important here to explore the income distribution more closely as this provides an indication of the actual number of individuals in different income brackets as shown in Table 6. Altogether in Australia there were barely 1,000 Indigenous adults with a personal weekly income over \$1,500 in 1996. As might be expected, most of these were located in major cities, but 151 were in remote areas. Using the income distribution for all Australians as a benchmark, those with a weekly income of \$600 or more have incomes more than double the median, and may thus be considered high earners. On this basis, a total of 15,000 Indigenous adults may be described as high-income earners, only 2,440 of whom are in remote and very remote areas.

While the concentration of Indigenous people at the lower end of the income distribution is largely due to the relatively low Indigenous employment rate and associated high dependence on welfare, it also reflects lower occupational status for those in work (Taylor 1994). Table 7 compares Indigenous and non-Indigenous median annual income from employment according to remoteness category. In all regions, median incomes of non-Indigenous workers exceed those of their Indigenous counterparts, but the extent to which this is the case varies. In major cities the income gap is narrowest, with non-Indigenous incomes 25 per cent higher. While this gap widens with increasing remoteness, in very remote regions it is excessive, with median non-Indigenous earnings 305 per cent higher. This reflects the reliance for much Indigenous employment in very remote areas on CDEP, but it also stems from the fact that non-Indigenous workers in very remote areas are generally in well-paid occupations due to the nature of the skills required and incentive structures to entice migration. The consistent gap between Indigenous and non-Indigenous median employment incomes reflects the much greater reliance on low-status and part-time work by Indigenous workers across the board. As an indicator of the economic cost of foregone earnings, Indigenous workers would have had to earn \$440 million more in 1994 in order to have had the same average income as all other workers (Taylor & Hunter 1998: 26–7).

Table 6. Indigenous adults by income and remoteness categories, 1996

Income category	Remoteness category					Total
	1	2	3	4	5	
Nil income	3,751	2,146	3,123	1,256	2,348	12,624
\$1–\$39	1,073	619	810	365	349	3,216
\$40–\$79	2,168	1,428	1,734	560	1,227	7,117
\$80–\$119	2,549	1,679	2,136	949	2,990	10,303
\$120–\$159	8,760	6,471	8,512	3,235	8,643	35,621
\$160–\$199	6,964	4,430	6,372	3,191	10,095	31,052
\$200–\$299	8,042	5,303	6,554	2,242	4,021	26,162
\$300–\$399	7,239	4,433	5,863	1,902	2,782	22,219
\$400–\$499	5,417	2,744	3,395	1,221	1,336	14,113
\$500–\$599	4,287	1,852	2,187	737	707	9,770
\$600–\$699	2,430	1,054	1,323	511	454	5,772
\$700–\$799	1,665	648	763	337	204	3,617
\$800–\$999	1,452	542	551	270	182	2,997
\$1,000–\$1,499	840	249	275	195	133	1,692
\$1,500+	474	150	210	95	56	985

Note: Figures exclude those with negative income, and those who did not state their income or labour force status. Remoteness categories: 1 = Major cities; 2 = Inner regional; 3 = Outer regional; 4 = Remote; 5 = Very remote. Source: ABS 1996 Census of Population and Housing, customised tables.

The effect of this depressed income stream for Indigenous people in remote areas due to their low labour force status is reflected in estimates of weekly gross income for each region, as shown in Table 8. These data are of interest as an indicator of potential market size for the delivery of personal banking and financial services. Overall, despite comprising

1.6 per cent of the adult population, Indigenous adults are in receipt of only 0.9 per cent of weekly gross income. In remote areas, not only are Indigenous people physically distant from services, the gross income they might inject into the sector via personal accounts is relatively small—in remote areas, \$5 million per week, in very remote areas, \$7 million per week. As expected, the market potential for personal banking services is heavily skewed towards major cities and inner regional areas where access to the system is already maximised.

It should be reiterated that these data refer to personal income only. They do not indicate the relative distribution of likely markets for commercial banking and financial services. These are identified by the substantial corporate and fiscal monies that flow to Indigenous organisations from government and the private sector, and a separate discussion of these is provided later.

Table 7. Estimated Indigenous and non-Indigenous median annual income by labour force status and remoteness category, 1996

Remoteness category	Non-Indigenous			Indigenous		
	Employed	Unemployed	Not in labour force	Employed	Unemployed	Not in labour force
Major city	\$51,200	\$12,600	\$19,700	\$40,600	\$12,700	\$16,800
Inner regional	\$41,500	\$13,800	\$18,400	\$30,300	\$13,800	\$18,000
Outer regional	\$41,500	\$13,700	\$18,600	\$31,000	\$13,600	\$18,200
Remote	\$40,400	\$13,200	\$18,800	\$31,300	\$13,100	\$18,900
Very remote	\$51,500	\$16,600	\$19,100	\$16,900	\$12,800	\$20,000

Source: ABS 1996 Census of Population and Housing, customised tables.

Table 8. Indigenous and non-Indigenous weekly gross personal income by remoteness category, 1996

Remoteness category	Non-Indigenous	Indigenous
Major city	\$3,634,000,000	\$18,000,000
Inner regional	\$3,694,000,000	\$27,000,000
Outer regional	\$469,000,000	\$12,000,000
Remote	\$85,000,000	\$5,000,000
Very remote	\$34,000,000	\$7,000,000
Total	\$7,916,000,000	\$69,000,000

Source: ABS 1996 Census of Population and Housing, customised tables.

Home ownership

Australia has one of the highest home ownership rates among Organisation for Economic Cooperation and Development (OECD) countries. At the 1996 Census, 70 per cent of all households lived in a dwelling that was either fully owned or mortgaged. Historically, a key factor in this privatisation of housing stock has been a community perception of home ownership as a primary means of enhancing economic status through the provision of secure and, over the longer term, affordable housing. According to observations made by the ABS (1998: 154), equity accumulated in the family home represents the major part of household wealth for many people. As well as providing financial security for retirement and unemployment, this equity also yields other economic benefits such as collateral for loans. For all these reasons, home ownership has been, and continues to be, encouraged and promoted by governments.

Given the vital role played by home ownership in the financial developmental cycle of Australian families, and the attempts by the Aboriginal and Torres Strait Islander Commission (ATSIC) over the years to raise the level of Indigenous home ownership, it is striking to note that only 13 per cent of Indigenous households lived in a fully owned dwelling in 1996, and barely 18 per cent were resident in a mortgaged dwelling. The fact is, compared to the majority of Australian households, Indigenous households remain overwhelmingly dependent on rented accommodation. While, on the one hand, this limits access to the property market for Indigenous people as a means of improving their financial security, on the other hand it is symptomatic of relatively low economic status and, to some extent, cultural preferences and location.

In 1996, a total of 93,241 dwellings across Australia were inhabited by at least one Indigenous adult, but only 88,681 of these reported information regarding their tenure details. Of these, 17,196 were classified as being purchased. The spatial distribution of these dwellings under purchase is very uneven, as shown in Table 9. The vast majority (almost three-quarters) are located in major cities and inner regional areas. Only 5 per cent are found in remote areas, and barely 2 per cent in very remote areas. Overall, 18.3 per cent of Indigenous dwellings were under some form of mortgage arrangement. In remote areas however, the proportion was barely 10 per cent, and as low as 3 per cent in very remote areas.

Table 9. Distribution of Indigenous dwellings being purchased by remoteness category, 1996

Remoteness category	No. of Indigenous dwellings being purchased	Per cent of all Indigenous dwellings being purchased	Dwellings being purchased as a per cent of all Indigenous dwellings in category
Major city	7,738	45.0	22.2
Inner regional	4,432	25.8	21.3
Outer regional	3,784	22.0	16.0
Remote	873	5.1	10.8
Very remote	369	2.1	3.4
Total	17,196	100.0	18.3

Not surprisingly, then, the amount of monthly mortgage repayments reported by Indigenous dwellings varied substantially according to spatial area (Table 10). In major cities, Indigenous dwellings reported total monthly mortgage repayments of just over \$5 million. In very remote areas, the equivalent figure was barely \$160,000. Overall in 1996, Indigenous households spent \$10.5 per month on servicing housing loans. This represented less than one per cent (0.7%) of the total housing loans market in Australia at that time.

Table 10. Total monthly housing loan payments: Indigenous and non-Indigenous dwellings by remoteness category, 1996

Remoteness category	Monthly housing loan payments			
	Non-Indigenous	Indigenous	Indigenous mortgage payments in each category (%)	Indigenous mortgaged dwellings in each category (%)
Major cities	\$1,012,625,950	\$5,086,200	48.3	45.0
Inner regional	\$251,859,300	\$2,694,850	25.6	25.8
Outer regional	\$102,602,500	\$2,141,500	20.3	22.0
Remote	\$12,550,700	\$446,750	4.2	5.1
Very remote	\$2,782,600	\$159,950	1.5	2.1
Total	\$1,382,421,050	\$10,529,250	100.0	100.0

The fact that the share of aggregate Indigenous mortgage payments was higher in major cities than the share of all mortgaged dwellings suggests that the average size of mortgage in major cities was highest, as might be expected. This is borne out in Table 11, which reveals a marked difference in the average size of housing loan according to spatial area, with loans highest in major cities. This is also the case for non-Indigenous mortgages, and it is interesting to note that the gap between the size of Indigenous and non-Indigenous mortgages narrows with increased remoteness.

Table 11. Average monthly housing loan payments: Indigenous and non-Indigenous dwellings by remoteness category, 1996

Remoteness category	Average monthly payments		
	Non-Indigenous	Indigenous	Ratio
Major cities	\$948	\$692	1.37
Inner regional	\$771	\$641	1.20
Outer regional	\$750	\$600	1.25
Remote	\$721	\$547	1.32
Very remote	\$557	\$492	1.13

Indigenous corporate and fiscal dollars

So far, the discussion has focused on the demographic and socioeconomic factors that have a bearing on the provision of, and demand for, personal banking services. When it comes to the commercial arm of banking, however, decisions regarding the nature and viability of services have more to do with the overall flows of cash that are handled by Indigenous communities and their constituent organisations for purposes of administration and social and economic development. Much of these monies flow via grants and recurrent funding to organisations from various tiers of government, although there are other sources, such as royalty and investment streams. Though poorly documented and insufficiently quantified, case study and anecdotal evidence suggests that these money flows are considerable and contribute substantially to regional economies (Altman forthcoming). This is especially the case in remote regions where Indigenous populations comprise a large share of the total. As noted earlier, the Indigenous share of population is also rising in remote Australia, and so it is likely that Indigenous dollar flows will also assume growing regional importance over time. At the same time, in terms of absolute amounts, the Indigenous dollar is likely to be substantial, regardless of location.

A number of attempts have been made to quantify Indigenous corporate and fiscal dollars, mostly in the context of debates about intergovernmental relations and fiscal equalisation, as well as in terms of their contribution to regional economies. Thus at the national level, estimates of identified Commonwealth expenditure on Aboriginal and Torres Strait Islander programs have been available in budget papers since 1991 (Commonwealth of Australia, 1991). Less transparent are state and territory expenditures, with many of the data shortcomings outlined at the beginning of the 1990s (Arthur 1991; Smith 1992a, 1992b) still evident in 2001 (Commonwealth of Australia 2001: 34). Most advances here seem to have been in developing conceptual frameworks for establishing where these dollars might be located, and where they might be better placed (Australia Institute 2000).

As might be expected, clearer definition and quantification of Indigenous corporate and fiscal dollars are evident at regional levels. For example, Crough and Christopherson (1993) have identified the scale and nature of Indigenous monies in the Kimberley region, and similar work in Central Australia identified a total of \$184 million as combined Aboriginal measured income, government spending on Aboriginal Affairs programs, and monies managed by Aboriginal organisations and enterprises in 1987–88 (Crough, Howitt & Pritchard 1989).

Further examples of the size of localised income streams are found in studies of royalty associations (Altman & Smith 1994, 1999), and in analyses of the wider distribution of

mining revenues (Altman 1983, 1996; Altman & Pollack 1998a). Indeed, the tendency in quantification has been to focus on Indigenous sectoral money flows, for example in regard to the arts and crafts industry (Altman 1989), and land purchase and land management (Altman & Pollack 1998b). Notably lacking, though, is any sense of the overall, or even specific, capital and revenue generated by Indigenous enterprises (Arthur 1999).

While some doubt surrounds measures of Indigenous personal income, especially in regard to royalty and negotiated payments, this is insignificant compared to the lack of comprehensive data and understanding of the scale and composition of Indigenous corporate and fiscal monies. What evidence there is indicates that these are substantial amounts, but aside from well-known commercial arrangements, such as between ATSIC and Westpac, no comprehensive information exists to indicate how these funds are managed by banking and financial services. A major research effort aimed at revealing the details of Indigenous corporate and fiscal dollars, at national, regional and local levels, is an essential prerequisite to ensuring that they are subject to optimal financial management, and that whatever leverage they might exercise to generate further resources is maximised.

Implications for banking services

The aim of this paper has been to quantify the broad socioeconomic context in which banking and financial services are delivered to the Indigenous population. Clearly, for reasons of remote location and low socioeconomic status, Indigenous access to these services is relatively restricted. As banking services turn increasingly to electronic modes of interaction, branch office activities have retreated to the larger population centres leaving much of the Indigenous population in remote Australia more detached than ever from face-to-face advice and assistance.

Leaving aside the question of commercial banking services for Indigenous corporate entities, major issues arise for the banking sector with regard to the future of its services for personal accounts in the bush. Clearly, bank branches and keycard facilities cannot be provided in every locality. Presently, a population threshold of 500 persons appear to be the minimum requirement to sustain basic facilities, but the whole question of just what an appropriate threshold comprises, and whether regionalised forms of service delivery aimed at maximising economies of scale are feasible, remains to be addressed.

No doubt one factor contributing to the cost-benefit of service provision from the banking sector's perspective is the limited value of personal accounts, especially in remote areas. With high welfare dependence and low home ownership, the Indigenous population does not appear to present a profitable target group. Whether, that is the case or not is beyond the scope of this paper, although evidence from the experience of the Bank of Montreal tends to refute this proposition. What we can say, however, from the evidence presented, is that banking services in the bush will need to be customised to the needs of low income account holders, will need to be innovative in enabling access to scattered populations over vast distances, and may require more—not less—face-to-face services, at least in pursuit of customer education.

Notes

- 1 These figures were drawn from a table of individual income by labour force status. They exclude adults who did not state their labour force status, as well as those who indicated negative income. The total Indigenous adult population in 1996 amounted to 211,000 and new tables based on the full adult population will be drafted for final publication.

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