CHAPTER 14

OLDER AUSTRALIANS

14.1   The Committee recognises that to participate fully in the world of electronic banking, citizens must have access to and mastery of the new technology. Yet some consumers of retail banking services, particularly those in regional, rural and remote Australia, feel as though they have not benefited from reform or enhanced competition and that technology rather than carrying them forward is leaving them behind. The report has considered a number of obstacles that form real barriers to accessing electronic banking including the absence of facilities such as ATMs, EFTPOS, computer terminals and telephones in the community; inadequate infrastructure to support the delivery of the service; and costs associated with purchasing the necessary equipment.

14.2   There are, however, other circumstances that hold people back from using electronic banking notably inadequate education and training. This chapter looks in greater depth at these impediments and uses the experiences of older Australians to highlight some of the difficulties that discourage people from using electronic banking in regional, rural and remote Australia.

Older people in rural, regional and remote Australia

14.3   Older people are increasing both in number and as a proportion of the total population. Over the last 100 years, the proportion of the population aged 65 years and over has increased from 4 to 12 per cent and is projected to rise to about 18 per cent by 2020.[1] Moreover, they constitute a sizeable presence in rural and regional Australia.

14.4   Overall, according to the Bureau of Statistics, non-metropolitan regions in Australia have populations older than metropolitan regions. It explained further:

> Many of the older inland SLAS [Statistical Local Areas] (those SLAs with at least 16% of their population aged 65 years and over) were located in the wheat-sheep belt to the west of the Great Dividing Range, extending from the west of Spencer Gulf in South Australia, across to western Victoria (particularly around Horsham), and along the Murray River into New South Wales. There were more older SLAs just north of Wagga Wagga from Coolamon to Coonabarabran, up to Bingara and into south-east Queensland, ending inland from Hervey Bay.[2]

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1   Australian Bureau of Statistics, *Australian Social Trends 2002,* Catalogue No. 4102.0, Commonwealth of Australia, Canberra, 2002, p. 7.

2   Australian Bureau of Statistics, *Australian Social Trends 2002,* Catalogue No. 4102.0, Commonwealth of Australia, Canberra, 2002, p. 9.

14.5   Older Australians in country areas confront the same difficulties as other local residents in accessing banking and financial services. In some cases, however, their problems are compounded especially since many are on low and fixed incomes,[3] are unfamiliar and intimidated by new technology, may have health problems and have difficulties travelling. They appreciate the assistance, reassurance and convenience of over-the-counter services.

14.6   The withdrawal of face-to-face services, therefore, places many older Australians at a greater disadvantage. The need to travel provides just one example of the increased difficulties faced by older Australians as banks retreat from regional, rural and remote Australia.

Transport

14.7   Mr Chris Sidoti, former Human Rights Commissioner, noted that the lack of transport in small rural centres means that it can be difficult for elderly people to maintain an independent lifestyle or to remain in their home town at all. He noted that in Victoria the Commission was told that 'public transport is almost non-existent in country areas'. He stated:

> You can imagine the effect on a frail older person when a local bank closes. If transport is virtually non-existent and the person is unable to drive, access to essential banking services is not merely inconvenient—it is impossible.
>
> And it is not only getting to the bank, but also finding a person to serve you when you do get there! With the increased use of Automatic Teller Machines, people in country areas are forced at times to rely on a machine without a teller being available to answer questions or even explain how to withdraw money from your own account.[4]

14.8   Many submissions also made this general observation about the difficulty faced by older people in having to travel to the nearest town to do their banking. The Local Government Association of Tasmania stated that very few remote areas provide transport services between towns and customers are physically not able to get to their nearest branch for more detailed information with regard to their finances. Councillor Smith from the Boonah Shire Council referred to a small town in the district, Kalbar, where the National had closed leaving residents without banking facilities. He noted that there was no public transport and elderly people 'getting into Boonah to do their

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3   The Australian Bureau of Statistics found that average income falls markedly with age. See Australian Bureau of Statistics, *Older People, Australia: A Social Report, 1999,* Catalogue No. 4109.0, Commonwealth of Australia, Canberra, 15 December 1999, p. 2.

4   Chris Sidoti, The human rights of older Australians in the bush, Speech, Rural Ageing Seminar, Bungaree Station, 1 November 1999, p. 4 of 7
http://pandora.nla.gov.au/pan/13170/200010711/www.hreoc.gov.au/speeches/human_rights/hr_ older_aus_bush.html (29 October 2002).

banking for their pension cheques was almost prohibitive and they had to rely on family to get them in'.[5]

14.9   Many local councils recounted the experiences of older Australians suggesting that as more and more services become automated and electronically delivered, they may be increasingly blocked from accessing essential services.[6] Yet, as shown in Chapter 6, ADIs place a heavy reliance on alternative service channels to compensate for the lack of over-the-counter services, and older Australians form the very group that is less likely to adopt new ways of banking.

14.10   This chapter first examines the use of modern technology by older people and then seeks to understand the reasons some are not taking advantage of the new ways of banking. It looks at:

- their strong attachment to old ways and their unfamiliarity with new technology;

- their level of financial literacy; and

- physical barriers to accessing new technology such as poor eyesight or failing health.

Older Australians and the use of new technology

14.11   A recent survey of adult financial literacy in Australia found that people aged 70 and over were among the groups less likely to use or know how to use ATMs, EFTPOS, telephone banking and Internet banking.[7] These statistics take on greater significance for this group living in regional, rural and remote Australia because of the difficulties already facing people in country Australia with the decline in the provision of traditional bank services and the increasing emphasis given to self-service banking.

14.12   The following table, based on a recent survey of adult financial literacy, substantiates the anecdotal evidence presented to this Committee. It shows clearly that older Australians as a group are less likely to use or know how to use new technology.

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5   *Committee Hansard*, 23 May 2003, p. 504.

6   Chris Sidoti, The human rights of older Australians in the bush, Speech, Rural Ageing Seminar, Bungaree Station, 1 November 1999, p. 4 of 7 http://pandora.nla.gov.au/pan/13170/200010711/www.hreoc.gov.au/speeches/human_rights/hr_older_aus_bush.html (29 October 2002).

7   ANZ Banking Group, *ANZ Survey of Adult Financial Literacy in Australia, Stage 2: Telephone Survey Report*, April 2003, prepared for ANZ Banking Group, by Roy Morgan Research, Melbourne, 2003, pp. 52, 55, 68 and 74.

Table 14.1—Use and knowledge of ATMs, EFTPOS, telephone banking and internet banking by age[8]

The following questions were put to participants in the survey:

A1. There are various ways of paying for goods and services. Which of the following payment methods do you, yourself, use?

A2. IF DOESN'T USE, ASK: What other payment methods do you know how to use, even if you don't use them yourself?

Demographic Profile for ATM Knowledge

Response – Use or know how to use ATMs: 91%

Age	*%*	*Age*	*%*
➢ 18-24	98	➢ 60-69	81
➢ 25-34	98	➢ 70 and over	66
➢ 35-44	97		

Demographic Profile for EFTPOS Knowledge

Response – Use or know how to use EFTPOS: 89%

Age	*%*	*Age*	*%*
➢ 18-24	98	➢ 60-69	77
➢ 25-34	97	➢ 70 and over	54
➢ 35-44	97		

Demographic Profile for Telephone Banking Knowledge

Response – Use or know how to use telephone banking: 68%

Age	*%*	*Age*	*%*
➢ 25-34	81	➢ 60-69	49
➢ 35-44	78	➢ 70 and over	37

Demographic Profile for internet Banking Knowledge

Response – Use or know how to use Internet banking: 52%

Age	*%*	➢ *Age*	*%*
➢ 18-24	64	➢ 60-69	29
➢ 25-34	68	➢ 70 and over	16
➢ 35-44	63		

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8   This table is a compilation of data taken from four different tables nos. 11, 13, 20 and 23 in ANZ, *ANZ Survey of Adult Literacy in Australia, Stage 2: Telephone Survey Report,* prepared by Roy Morgan for ANZ Banking Group, April 2003, pp. 52, 55, 68 and 74. The original tables did not include figures for the 45–59 age group but the pattern established by the statistics is consistent.

14.13   Statistics from the ABS, which concern the actual use of the various service channels to pay bills or move funds, present a stark representation on the extent to which older Australians lag behind their younger cohorts when it comes to using new technology. The data in table 14.2 shows the low percentage of people over the age of 65 years who use electronic commerce.

Table 14.2—Adults Undertaking Internet and Selected Electronic Transactions for 1998–2000 and 2000 by age groups[9]

	Total no. of adults	*Paid bills or transferred funds via the Internet*	*Paid bills or transferred funds via phone*	*Paid bills or withdrew funds via EFTPOS*	*Transferred or withdrew funds via ATM*
	'000	*%*	*%*	*%*	*%*
1998	13 429	1	35	61	69
1999	13 589	3	40	63	71
2000	13 840	9	50	66	74
Adults undertaking Internet and selected electronic transactions for 2000 by age groups					
	Total no. of adults	*Paid bills or transferred funds via the Internet*	*Paid bills or transferred funds via phone*	*Paid bills or withdrew funds via EFTPOS*	*Transferred or withdrew funds via ATM*
Age group (years)	*'000*	*%*	*%*	*%*	*%*
18-24	1 843	9	49	83	89
25-34	2 815	14	63	84	90
35-44	2 887	12	59	79	85
45-54	2 532	10	53	66	75
55-64	1 681	6	42	49	60
65 or over	2 083	*1	22	26	32

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9   ABS, *Household Use of Information Technology: 2001–02*, Catalogue no. 8146.0, September 2003, Commonwealth of Australia, Canberra, p. 37.

14.14   The following data produced by the ABS focuses on the use of the Internet to pay bills or transfer funds. While it shows that over recent years the number of older Australians using the Internet to pay bills or transfer funds has gradually grown, there is nonetheless a sharp drop in the number of people aged 55 or above using the Internet for such purposes.

Table 14.3—Paying Bills or Transferring Funds via the Internet according to age group: 1999–2002[10]

Persons Paying Bills or Transferring Funds via the Internet								
Age	1999		2000		2001		2002	
	'000	%	'000	%	'000	%	'000	%
18–24	52	3	162	9	325	17	509	27
25–34	129	5	391	14	734	25	1 046	36
35–44	100	3	364	12	665	23	869	30
45–54	72	3	256	10	447	17	622	24
55–64	*18	*1	101	6	168	9	263	14
65 or over (a)	*7	-	*20	*1	-	-	84	4

* estimate has a relative standard error of between 25% and 50% and should be used with caution

- nil or rounded to zero

(a) Persons aged 65 years or over not in scope in 2001.

14.15   As mentioned earlier, new technology has much to offer consumers especially older people living in country Australia. In particular, it would relieve them of the burden of travel or relying on others to do their banking and be a much safer and convenient way to conduct banking. The following section examines the reasons older Australians are shunning new technology.

Strong attachment to traditional banking

14.16   Older Australians are accustomed to face-to-face banking and according to evidence many avoid self-service banking facilities. For them over-the-counter

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10   Australian Bureau of Statistics, *Household Use of Information Technology, Australia,* Catalogue No. 8146.0, Commonwealth of Australia, Canberra, 2003, p. 37.

services offer security and peace of mind and they particularly value the personal contact.[11]

14.17   The Winton Shire Council informed the Committee that it is a small, remote community in outback Queensland with a population of around 2,000 including a lot of older members of the community. It maintained that the older residents have a 'greater expectation of face-to-face service and are more resistant to technology'. It asserted that 'there is a definite need for a provision of traditional banking format, because of the desire for a face-to-face contact from an older and conservative community'.[12]

14.18   The Narrandera Shire Council expressed the views of many councils when it stated that despite the advances in technology, 'face-to-face banking remains an important service, particularly valued by the elderly'.[13] Similarly, the Manilla Shire Council maintained that a vast number of its graziers and farmers and senior citizens are not familiar with using the Internet at all. It added:

> Further they are not accustomed to using an impersonal piece of technology for performing their banking and financial actions and needs, when these functions were (not that long ago) fulfilled by warm, caring and friendly bank personnel.[14]

14.19   The Post Office Agents Association Ltd agreed with this view. It submitted that the elderly and less mobile continue to prefer the use of passbook accounts requiring physical access to financial institutions either directly or through their agents.

Older Australians navigating electronic banking

14.20   The preference for over-the-counter service derives not only from a strong attachment to the traditional and familiar way of banking. Many older Australians are intimidated by change and not all have the level of confidence, skill or competency to master the new technology.

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11   Mayor Strohfeld, *Committee Hansard*, 22 May 2003, p. 452; Councillor Robert Smith, Boonah Shire Council, *Committee Hansard*, 23 May 2003, p. 501.

12   *Submission* 27, p. 1.

13   *Submission* 36, p. 1. The Shire of Nannup informed the Committee that its district is classified as a low socio-economic district with wage levels well below average and with a high level of unemployment. This coupled with a high proportion of the population being retirees creates a high demand for 'in person' banking services relative to the population base. *Submission* 42, p. 1. The Edenhope and District Community Bank Steering Committee stated that 'Our population is ageing and many older people in the community are not receptive too much of the new electronic media for carrying out their business'. See *Submission* 81, p. 1.

14   *Submission* 91, p. 3.

Proficiency in using new technology

14.21   Many witnesses referred to people's lack of confidence in using modern technology such as telephone and internet banking.[15] The Country Women's Association of New South Wales noted that e-commerce, Internet banking and telephone banking all rely on the competence and confidence of their users. It asked, 'Do the CEOs of our major banks understand that ours is an ageing society, that many people fear and resist change, even when they have the tools to embrace it?'[16] Councils in particular were aware of residents who have difficulties adjusting to new technologies, are intimidated by the technology and confused and unnerved by the rate of change. According to the District Council of Robe many people who are unfamiliar with the technology (especially the elderly) fear the new and different ways of banking.[17] The Holroyd City Council observed that not all banking customers are equipped for or comfortable with electronic banking.[18]

14.22   The Shire of Woodanilling, the Shire of Laverton and the Council of the Shire of Cardwell also referred to the difficulties experienced by older Australians who may find the new banking technologies and non-traditional means of carrying out personal banking services confusing and hence difficult to access.[19]

14.23   The view of the Latrobe City Council was typical of a number of community groups in suggesting that many country people 'feel that they are exposing themselves to ridicule by indicating they are computer illiterate, and do not appreciate that in a mature age population some 60% of their age have never needed to access this technology'.[20]

14.24   This concern about the proficiency of older people in using new technology was a dominant theme in the evidence presented to this Committee and is reflected consistently throughout this report.[21] Mr Christopher Francis is only one of a number of community representatives who highlighted the difficulties facing people in adopting to new ways, particularly the older members of society, who have not grown up with computers and other electronic forms of communications. He explained:

> First of all I have to have a computer and a modem. I then have to get to the site and log online. I then have to put in my card number or my bank number, my password and my security password. Imagine what a 75-year old person, with no exposure to a computer, is going to make of that. Unless

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15   *Submission* 100.

16   *Submission* 86, p. 3.

17   *Submission* 30, p. 2.

18   *Submission* 18, p. 3.

19   *Submission* 14. p. 2; *Submission* 31, p. [5]; *Submission* 40, p. 2.

20   *Submission* 38, p. 10.

21   See for example, Councillor Robert Smith, Boonah Shire Council, *Committee Hansard*, 23 May 2003, p. 501.

you train people, unless you educate people about the use of the technology and show them that there is some benefit in it, they are not going to be interested.[22]

14.25   Councillor Lykke made a similar observation about older Australians and electronic banking. He told the Committee:

They will learn little bits of it, but it is never going to be convenient to them—they are going to feel alienated all the way. I think that whenever we set up some system for a community we should be looking at the lowest common denominator and asking: can that be done? I do not expect that someone who is over 80 years of age and is starting to forget what their name is needs to have all those facilities…

It has been my experience that when you start to make things complicated there is always that sector of the population that drops off. [23]

14.26   A number of witnesses also spoke of people's unwillingness to take up electronic banking because of security concerns about the integrity of the system and about their own safety when using electronic banking. Mr Francis told the Committee that 'rural and regional people are more concerned, more conservative, and are probably not going to want to risk doing online banking if they are going to lose their money to some hacker overseas somewhere'.[24] The Financial Services Consumer Policy Centre wrote:

The elderly are reluctant to use ATMs and EFTPOS services on grounds which include; confusion about differences between debit and credit cards, concerns about personal safety when using ATMs and EFTPOS, and suspicion about reliability of technologies, including over the phone services. The elderly also worry that machines may swallow their cards, are in constant anxiety about forgetting their PIN numbers.

Risk of financial exclusion

14.27   The Committee is concerned not only with people missing out on the ease and convenience of accessing electronic banking but the longer term possibility of such people being effectively excluded from basic services and information. Professor Alice Tay remarked that 'information technology has the dual potential to disadvantage and marginalise those who "miss the technology bus" and to benefit and enfranchise those who catch it'.[25] As quoted previously, Dr David Morgan, CEO,

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22   *Committee Hansard,* 26 February 2003, p. 276.

23   *Committee Hansard*, 13 March 2003, p. 422.

24   *Committee Hansard*, 26 February 2003, p. 277.

25   Chris Sidoti, The human rights of older Australians in the bush, Speech, Rural Ageing Seminar, Bungaree Station, 1 November 1999, p. 5 of 7
http://pandora.nla.gov.au/pan/13170/200010711/www.hreoc.gov.au/speeches/human_rights/hr_older_aus_bush.html (29 October 2002).

Westpac, observed that 'technology might empower people but it also adds to the feeling of powerlessness. It has dehumanized what has been a very human business'.[26]

14.28   As access to banking services becomes increasing reliant on new technology for its delivery, older Australians struggle to adjust to the changes. There is a real likelihood that as a group they may 'miss the technology bus' and thereby become stranded from mainstream banking. The Committee has found no evidence that banks have with commitment and determination set about ensuring that older Australians are on board the technology bus.

Education and training

14.29   Despite all the assurances given by the banks that they have in place initiatives designed to assist people to use the new technology, people are still reluctant, even refusing, to adopt it. Witnesses highlighted again and again the need for improved education and training programs especially for older Australians.[27]

14.30   Local Councils, who are well placed to understand the needs of local residents, underlined the importance of adequate training for older Australians. For example, the Shire of Dandaragan, as did many, noted the need for further training programs for seniors.[28] The Council of the City of Ballarat recognised that the adoption of new technology depends to a large extent on education and training that enables the user to access the service. The East Gippsland Shire Council endorsed the view that there was a need for educating rural communities in the use of new technologies and assuaging the inherent fear in relation to 'virtual money'.[29] Many submissions, however, referred to the paucity of training for client users.[30]

14.31   Mr Charles Burke, NFF, told the Committee that while people want to embrace new technology if it is available, the problem exists of simply having people to educate them in its use.[31] He added:

> In regional Australia…we are still talking about a whole host of banking operations that are done across the counter. If you have had that taken away from you and you are a bit slow to pick up on the inert technology that can be quite daunting.[32]

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26   Dr David Morgan, CEDA Address, Committee for Economic Development of Australia, Sydney, 21 August 2001, p. 8.

27   Crookwell Shire Council, *Submission* 57, p. 2 and footnotes 28–32 below.

28   *Submission* 125, p. 2. See also Lockhart Shire Council, *Submission* 25, p. 2; Barossa Council, *Submission* 15, p. 2; Country Women's Association of Australia, *Submission* 73, p. 1.

29   *Submission* 75, pp. 3–4.

30   See for example District Council of Robe, *Submission* 30, p. 2.

31   *Committee Hansard,* 14 November 2002, p. 46.

32   *Committee Hansard*, 14 November 2002, p. 47.

14.32   The Rosalie Shire Council, the Latrobe City Council, the West Tamar Council, and the East Gippsland Shire Council were not alone in calling for more and improved training programs and for the technology to be user friendly.[33]

Building confidence in the use of new technology

14.33   Without question, more attention needs to be given to education and training in the use of new technology. Such programs should go beyond the mechanics of enabling an individual to master the technology—they should be a means of engendering confidence in the system and providing motivation for people to take up the new technology. In other words, banks need to persuade their customers that firstly the new technology offers them real advantages and secondly that there is no mystery to the new technology and they will be able use it with confidence.

14.34   Mr Clinton Weber, CEO, Rosalie Shire Council, raised an important point about the approach of the banks to encourage their customers to embrace electronic banking. He noted that there is a difference between training so that people understand how to use a product and selling that product. In his view, 'I see a lot of the selling but I do not see too much of the training.'[34]

14.35   Becoming a confident user of new technology takes time. The South Australian Country Women's Association suggested that the expansion of banking facilities through non-traditional channels including new technologies must take place slowly as technologies that change too quickly are not handled well by people. They need time to accept and absorb the information.[35]

14.36   Along similar lines, the Latrobe City Council urged the banks to adopt a public relations approach and provide training sessions in rural and regional communities for the benefit of their clients.[36] Councillor Burgess told the Committee:

> If the banks could take some sort of responsibility—even if they just put dummy teller machines in banks before they closed so that the senior citizens especially could have the chance to learn to use these machines—it would make a difference. It sounds like a very simple thing, but for someone who has never used this technology to have to suddenly start to use the likes of EFTPOS machines et cetera it is a very difficult thing. If banks were to provide some sort of serious training—and not just tokenism—for everybody which enabled people to come in to learn to use these machines

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33   *Submission* 16, p. 1; *Submission* 38, p. 10; *Submission* 55, p. 1; and *Submission* 75, p. 4.

34   *Committee Hansard*, 22 May 2003, p. 463.

35   *Submission* 26, p. 1.

36   *Submission* 38, p. 10.

over a period of time before they pulled their services out, I am sure the effect on communities would be less.[37]

14.37   The Catholic Women's League argued that the older generation at present is 'finding internet banking a steep learning curve, it would be in the banks' interest to hold classes in regional and rural areas on Internet banking to assist customers'.[38] Some, however, do not regard the problem as a straightforward training matter. Mrs Zerbst, Secretary, Nanango Progressive Community Ltd, told the Committee that no amount of training is going to get the elderly or frail and elderly to 'even use an ATM, let alone use a computer, or even telephone banking'. She stated:

> They just find it impossible. They really want to walk in somewhere and hand their passbook over and feel safe and secure.[39]

14.38   The Committee accepts that winning older Australians over to the side of new technology is a challenge but one that needs to be taken up in earnest. In some cases, local councils are stepping in to make up for the shortcomings in education and training. Mr Christopher Francis, City of Ballarat, told the Committee that his Council provided free tuition in computing for people but at a local level. He stated further:

> I do not see the financial services people coming to us with $50,000 to say, 'Let's help you out to educate the community about how to use our services'…Are we there to educate people about how to do their online banking? Once again, local government is being forced to take on a role which really we do not believe we should have.[40]

14.39   The Rosalie Shire Council provides another example of a council that has accepted the responsibility for providing both the equipment and the encouraging environment in which residents experiment with and gain confidence in using the Internet.[41]

14.40   The current code of banking practice recognises the needs of elderly or disabled customers to have access to transaction services and undertakes to take reasonable measures to enhance their access to those services. It, however, does not mention any commitment to the education of its customers.[42]

14.41   The Committee believes that the education of consumers in using and adapting to electronic and remote access channels is of paramount importance.

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37   *Committee Hansard*, 13 March 2003, pp. 432–33. See also the Country Women's Association of Western Australia, *Submission* 100, p. 1. It also noted the importance of having 'hands on instruction in the use of electronic services'.

38   *Submission* 70, p. 3.

39   *Committee Hansard*, 22 May 2003, p. 475.

40   *Committee Hansard*, 26 February 2003, p. 276.

41   Clinton Weber, *Committee Hansard*, 22 May 2003, p. 463.

42   Australian Bankers' Association, *Code of Banking Practice,* August 2002, para 6.

Clearly, the quality and level of education and training offered to consumers is falling short of expectations. The resounding message from local councils in particular is that the banks have failed to equip some of their customers with the skills and confidence needed to effectively use new technology. The evidence before the Committee suggests that the banks have not given attention to practical hands-on training where customers can experiment with new technology without fear of embarrassment or mistakes.

14.42   The Committee also is aware of the importance for customers to know that there is a safety net available if needed should they experience difficulties in using electronic banking. It believes that where a bank does not have staff readily available to offer their customers face-to-face service that they look carefully at devising methods that will compensate for this lack of direct contact. One of the first areas may be to explore ways to improve service delivery in the form of direct phone access to a help desk, keeping in mind the special needs of the elderly and the difficulties they may experience in navigating their way through the steps needed to complete a transaction. This means that assistance should go beyond helping a customer complete a transaction but is designed to reassure, encourage and educate customers in the use of new technology and should include with the customer's consent follow-up action by the bank to ensure the customer is managing electronic transactions.

14.43   As people age they become susceptible to poor health. Education and training cannot compensate for the difficulties in accessing electronic banking that accompany failing health, particularly poor eyesight and hearing. There is a heavy onus on those developing new technologies to take account of the special needs of the various sectors of the community when designing equipment and software.[43]

14.44   The Committee believes that promoting equitable access to financial services for all Australians is an important public policy goal. It notes that the banking industry is aware of the difficulties facing older Australians and people with a disability in accessing electronic banking and has taken the first step in formulating industry standards designed to make the use of electronic banking easier and safer for all. The development of these industry standards was covered in chapter 11. Similar standards have been developed governing telephone and internet banking.

14.45   In recommendation 12, the Committee urged all ADIs to place a high priority on ensuring that country people are not the last on the list to benefit from the implementation of these industry standards. It recommended further that the ABA monitor the implementation of the standards in regional Australia and make public its report on the initiatives to improve accessibility for older people in country Australia (see p. 180). The circumstances of older Australians in regional, rural and remote Australia underlines the importance of these recommendations.

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43   See Human Rights and Equal Opportunity Commission, Building bridges over the digital divide, http://www.Hreoc.gov.au/disability_rights/inquiries/ecom/bridges.htm (30 October 2002).

14.46   The Committee accepts that older Australians living in rural, regional and remote Australia have special needs that over-the-counter services would address. It recognises, however, that face-to-face service is not going to be available in all areas. Easy and affordable access to the alternatives then becomes most important. The evidence shows that the banking industry could do more to assist their customers especially the older ones to adjust to changes in service delivery.

14.47   A multi-pronged approach should be taken by ADIs to improve people's understanding of the technology and how to use it.

Recommendation 18

The Committee recommends that ADIs:

- **expedite the introduction of industry standards as recommended in chapter 11—standards have also been formulated for telephone and Internet banking;**

- **allow sufficient time for people to experiment with and become accustomed to the new technology and for the banks to monitor the transition so that adjustments can be made in light of any difficulties during this phase;**

- **offer hands-on training and education programs—the suggestion from the Latrobe City Council about the use of dummy machines is a practical and sensible idea and illustrates the range of options available to ADIs to explore in structuring programs to assist their customers adopt new ways of banking;**

- **work in close partnership with local community groups, particularly the local council, to implement strategies to entice older Australians to use modern technology when banking;**

- **provide education and training programs that focus not only on proficiency in using new technology but on confidence building in the technology itself; and**

- **ensure that there is on-going and easily accessible support to help people who may be struggling with the technology or loath to use it.**

Recommendation 19

The Committee recommends that the Australian Bankers' Association amend their current code of practice to include the commitment that banks will take all reasonable measures to educate customers on the use and benefits of accessing banking services through new technologies. Further, that the code will offer practical guidance on some of the measures that banks could take to ensure that they are effective in meeting this commitment. They could include examples taken from recommendation 18.

14.48   The Government and the banking industry share the responsibility for the development and implementation of an educational framework that will encourage

people of all ages, from all walks of life and in all localities to use new technologies. This chapter has focused on the responsibility of the banking industry to ensure that their customers are well equipped to take advantage of new technology for their banking business. The following chapter continues this discussion but also looks at the role of government in improving the financial literacy of Australians. To do so, the Committee looks at another group in the community, Indigenous Australians, who experience particular problems in gaining adequate access to banking and financial services.