



EDUCATION AND HEALTH STANDING COMMITTEE

A SUCCESSFUL INITIATIVE - FAMILY INCOME MANAGEMENT

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A Successful Initiative - Family Income Management

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EDUCATION AND HEALTH STANDING COMMITTEE

A SUCCESSFUL INITIATIVE - FAMILY INCOME MANAGEMENT

Report No. 11

Presented by:

Hon T.G. Stephens, MLA

Laid on the Table of the Legislative Assembly
on 29 November 2007

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COMMITTEE'S FUNCTIONS AND POWERS

The functions of the Committee are to review and report to the Assembly on:

- (a) the outcomes and administration of the departments within the Committee's portfolio responsibilities;
- (b) annual reports of government departments laid on the Table of the House;
- (c) the adequacy of legislation and regulations within its jurisdiction; and
- (d) any matters referred to it by the Assembly including a bill, motion, petition, vote or expenditure, other financial matter, report or paper.

At the commencement of each Parliament and as often thereafter as the Speaker considers necessary, the Speaker will determine and table a schedule showing the portfolio responsibilities for each committee. Annual reports of government departments and authorities tabled in the Assembly will stand referred to the relevant committee for any inquiry the committee may make.

Whenever a committee receives or determines for itself fresh or amended terms of reference, the committee will forward them to each standing and select committee of the Assembly and Joint Committee of the Assembly and Council. The Speaker will announce them to the Assembly at the next opportunity and arrange for them to be placed on the notice boards of the Assembly.

INQUIRY TERMS OF REFERENCE

That the Committee examine, report and make recommendations on successful initiatives in remote Aboriginal communities. The Committee will pay particular attention to:

1. The costs and benefits of successful initiatives;
2. The model utilised for the development and delivery of successful initiatives; and
3. Where possible, comparing and contrasting the models utilised for the development and delivery of successful initiatives.

The Committee will report its findings and recommendations to the Legislative Assembly by 20 November 2008.

CHAIRMAN'S FOREWORD

The Education and Health Standing Committee did not originally anticipate that it would publish a report such as this one, the fourth in the *Committee's Inquiry into Successful Initiatives in Remote Aboriginal Communities*, on Cape York's Family Income Management (FIM) initiative.

The Committee travelled to Cape York in November 2006. The original intention was to gain an understanding of Mr Noel Pearson's '*Cape York Agenda*' given its broader application through Commonwealth policies to Indigenous individuals and communities throughout Australia and we have taken the opportunity of publishing simply a descriptive account of what was occurring in that region, in our *Report No 7, Initiatives in the Remote Indigenous Communities of Cape York*.

While in Cape York the Committee had the opportunity to meet with and discuss the various programs which form the '*Cape York Agenda*' with the community members and workers involved in the implementation of these programs. While other evidence of the success of the FIM initiative is documented in this report, it was the first-hand accounts of the difference that a program such as FIM had made to ordinary people's lives which made such an impression on the Committee. It was these accounts which caused Committee members to resolve to table a report on FIM as a successful initiative, so that it could provide a model for consideration and adaptation by communities in Western Australia.

This is a strength of Committee work. Working at its best, it provides an avenue for ordinary people to inform Committee members, through submissions, hearings or meetings, and as a result to have direct input into the parliamentary process and to impact on broader policy directions. On behalf of the Committee, I would like to thank the people of Cape York for their contribution to this Inquiry, and to acknowledge the generous assistance of Mr Noel Pearson and the staff of various Cape York Indigenous organisations for their hospitality and candidness.

The other strength of Committee work is the opportunity it provides for Committee members to put aside party political differences and to bring their individual experiences and perspectives to the Committee's work. Once again, this report is testament to the members of the Education and Health Standing Committee, and once again, I thank them for their contribution.

In particular I would like to acknowledge the dedicated work of the former Committee member, the Member for Wanneroo, Mrs Dianne Guise MLA. Due to heavy work commitments the Member for Wanneroo has not been able to continue as a member of the Committee for the tabling of this report. I hope, however, that it reflects something of the Member for Wanneroo's passion for the practical and positive changes that we, as parliamentarians, can sometimes effect. Indeed it was in particular her own strong positive response to the FIM initiative on Cape York that encouraged the rest of the Committee to decide upon presenting this particular report.

I also thank the Committee staff for their work, the Principal Research Officer, Dr Jeannine Purdy, and current and former Research Officers, Ms Nicole Burgess and Mr Peter Frantom.

Finally, I would like to commend this report to the House. At a time when there is so much emphasis on what is negative and dysfunctional in remote Indigenous communities throughout Australia, the very significant problems highlighted can appear overwhelming and intractable. Programs such as FIM, developed in communities and therefore built upon a keen insight into these difficulties and the complex historical legacies of previous government approaches, provide a way forward and a remedy to inaction.

HON T.G. STEPHENS, MLA
CHAIRMAN

ABBREVIATIONS AND ACRONYMS

ABS	Australian Bureau of Statistics
BBN	Bamanga Bubu Ngadimunku
CDEP	Community Development Employment Projects
Clth	Commonwealth
CRAC	Coen Regional Aboriginal Corporation
CYI	Cape York Institute for Policy and Leadership
CYP	Cape York Partnerships
FaCSIA	The Department of Families, Communities and Indigenous Affairs
FIM	Family Income Management program
FRC	Family Responsibilities Commission
HOIL	Home Ownership on Indigenous Land program
IEP	Indigenous Enterprise Partnerships
KRIB	Kullarri Regional Indigenous Body
NDRI	National Drug Research Institute
OIPC	Office of Indigenous Policy Coordination

GLOSSARY

Cape York Agenda	The title of Mr Noel Pearson's address to the National Press Club, Canberra, 30 November 2005, it refers to Mr Pearson's agenda for reforming the remote Indigenous communities of Cape York by addressing passive welfare, substance abuse and the lack of participation in the ' <i>real economy</i> '.
Cape York Partnerships (CYP)	The Cape York Partnerships website states that it is a community development organisation formed in 1999 through an agreement between the Queensland Government and regional Indigenous organisations. ¹ It is one of a number of organisations associated with the implementation of Mr Pearson's ' <i>Cape York Agenda</i> '.
Community Development Employment Projects (CDEP)	<p>Commonwealth initiative, known colloquially as a '<i>work for the dole</i>' program, for Indigenous people. Previously, the program was described by the Commonwealth as follows:</p> <p><i>Community Development Employment Projects are the Commonwealth's largest Indigenous program. They began in 1977 at the request of several remote Communities as an alternative to receiving unemployment benefits ('the dole'). Participation in the CDEP scheme is voluntary.</i></p> <p><i>CDEP accounts for around one quarter of Indigenous employment and has grown to encompass over 32,000 participants across Australia in Urban, Rural and Remote areas</i>²</p> <p>From 1 July 2007, however, the Commonwealth ceased funding for CDEP in urban and regional centres, closed Indigenous Employment Centres across Australia, and has instead funded enhanced mainstream employment brokerage services.³ Originally it was proposed that remote Indigenous communities would continue to receive CDEP funding, but with the '<i>Northern Territory Emergency Response</i>' by the Commonwealth, it was announced that CDEP in the Northern Territory '<i>will be progressively replaced by real jobs, training and mainstream employment programs</i>'.⁴</p>
Family Income Management program (FIM)	FIM has been described as a money management system specifically designed to meet the goals of Indigenous people in the remote communities of Cape York. It is project managed by Cape York Partnerships, funded by the Commonwealth Department of Family

¹ Cape York Partnerships, Available at www.capeyorkpartnerships.com/operations/index.htm Accessed on 20 November 2007.

² CDEP, available at: www.cdep.com.au/ Accessed on 24 November 2006.

³ Commonwealth Department of Employment and Workplace Relations, *Indigenous Potential meets Economic Opportunity: Discussion Paper*, November 2006, p 2.

⁴ Commonwealth Minister for Indigenous Affairs, Media Release, 'Jobs and training for Indigenous people in the NT', 23 July 2007.

and Community Services and Indigenous Affairs (FaCSIA), and supported by the Westpac Banking Corporation.

FIM utilises a specifically designed Westpac banking product, consisting of linked accounts, with a separate '*FIM*' savings account which cannot be accessed without the FIM worker's approval. FIM also provides budgeting assistance to participants, facilitates access to banking services (including internet banking), arranges group purchasing discounts, assists in ensuring correct Centrelink entitlements are received, and provides consumer rights and responsibilities education.

Indigenous Enterprise Partnerships (IEP)

A Melbourne-based not-for-profit organisation which describes itself as channelling '*corporate and philanthropic resources into Indigenous development*', and it arranges business support for the Cape York initiatives, amongst other things.⁵

'Stolen wages'

Refers to Aboriginal and Torres Strait Islander people's entitlements, including wages, savings and social security payments, which were controlled or withheld by governments and third parties, such as pastoralists or missions.

⁵ Indigenous Enterprise Partnerships, Available at: www.iep.net.au/ Accessed on 27 February 2007. Mr Noel Pearson is an IEP Board member.

EXECUTIVE SUMMARY

The Education and Health Standing Committee's Report No 7, *Initiatives in the Remote Indigenous Communities of Cape York*, identified the remarkable influence of Mr Noel Pearson and the 'Cape York Agenda'⁶ over public policy on Indigenous issues in Australia in recent years, particularly in relation to remote Aboriginal communities. Many of the 'Agenda' initiatives were discussed in detail in that report. One significant initiative which was not examined in any detail, however, was the Family Income Management (FIM) program.

Instead, the Committee decided that FIM should be documented as a 'successful initiative' in its own right. This was because, when the Committee travelled to Cape York in November 2006, the FIM initiative appeared to have been particularly successful in assisting Indigenous people in Cape York to manage their income and to access banking services.

This, the fourth report in the series on its current *Inquiry into Successful Initiatives in Remote Aboriginal Communities*, is the report on the FIM initiative.

Before describing and examining FIM and related initiatives the Committee has, in Chapter 2, outlined why a program such as FIM is of such significance for Indigenous people, particularly those in remote communities. The chapter sets out the historical and contemporary circumstances which have impacted on the understanding and management of finances by many Indigenous people, including a history of 'stolen wages',⁷ economic exclusion and the cultural obligations which can complicate the dictates of financial prudence.

Quoting from the Cape York Partnership's website, Chapter 3 outlines what the FIM program is and details its successes according to Cape York Partnerships. Cape York Partnerships is one of a number of organisations associated with the implementation of Mr Pearson's 'Cape York Agenda' and lists FIM as one of a number of community development projects that it has 'project-managed ... to successful outcomes'.⁸

Chapter 4 examines other evidence of FIM's successes, giving attention to the costs and benefits of the program and the model utilised for its development and delivery as required under the terms of reference for the Committee's Inquiry. The chapter includes the assessment of FIM by the key funding agency, the Commonwealth's Department of Families, Community Services and Indigenous Affairs (FaCSIA). Most crucially, from the Committee's perspective, the views of

⁶ Pearson, N, 'The Cape York Agenda', Address to the National Press Club, Canberra, 30 November 2005. See also Pearson, N, *Our Right to Take Responsibility*, Noel Pearson & Associates, Cairns, Queensland, 2002, p 5.

⁷ Refers to Aboriginal and Torres Strait Islander people's entitlements, including wages, savings and social security payments, which were controlled or withheld by governments and third parties, such as pastoralists or missions.

⁸ Cape York Partnerships, Available at www.capeyorkpartnerships.com/projects/index.htm Accessed on 20 November 2007.

those community members and community workers involved in the implementation of the FIM initiative in Cape York are canvassed.

Chapter 5 examines three other initiatives which are associated, at least in part, with aspects of the FIM program. The first is the *‘Welfare Reform’* project, a key initiative of Mr Pearson’s *‘Cape York Agenda’*, currently being piloted in four remote communities in Cape York. *‘MoneyBusiness’*, a program implemented through FaCSIA and the ANZ Banking Corporation, is discussed next. The final initiative examined focuses on those elements of the recent Commonwealth intervention into the Northern Territory that appear to have parallels with the FIM initiative. The Committee documents how each of the three initiatives differs from the FIM program and notes that it is not in a position to assess the success or otherwise of these initiatives.

Chapter 6 concludes this Report, recommending the development and implementation of regional initiatives in Western Australia, based on Cape York’s voluntary FIM model, as adapted to meet the needs and expectations of local communities.

FINDINGS

CHAPTER 1 INTRODUCTION

1.3 This Report

Page 4

Finding 1

On the evidence available to the Committee, particularly as a result of its travel to the Cape York communities of Mossman Gorge and Coen, the Committee believes that the Family Income Management (FIM) initiative has, to paraphrase Mr Noel Pearson, assisted Indigenous people in remote communities to acquire the capabilities needed so that they can choose a life they have reason to value.

CHAPTER 2 THE NEED FOR INCOME MANAGEMENT SKILLS

2.7 Understanding and managing finances

Page 17

Finding 2

There are a number of factors which have impacted upon the understanding and management of finances by many Indigenous people. These include:

- the historic non-payment and withholding of wages and other entitlements, now commonly known as '*stolen wages*';
- the contemporary circumstances which limit Indigenous people's access to both financial services and resources; and
- the cultural obligations which can impose greater financial burdens on Indigenous people.

CHAPTER 3 FAMILY INCOME MANAGEMENT ACCORDING TO CAPE YORK PARTNERSHIPS

3.3 FIM Success Stories

Page 27

Finding 3

Cape York Partnerships, which lists the Family Income Management (FIM) program as one of a number of community development projects that it has '*project-managed ... to successful outcomes*', details a range of significant successful outcomes for the program.

Reported successes of FIM include:

- *Participant debt situations are stabilised and living costs covered better through implementing budget plans via the FIM system.*
- *Spending on food has increased while spending on alcohol or gambling has decreased.*
- *Many people have been helped to access correct Centrelink entitlements.*
- *Stopped frequent power and phone disconnections and reconnection fees.*
- *Reduced bill-paying costs (people were paying up to \$20 a time to 'wire' money to third parties, or buying money orders – now use Bpay or internet via FIM Office).*
- *Scores of beds, mattresses, fridges, freezers and washing machines have been purchased from savings, which, together with establishment of nutrition and pharmacy accounts (including negotiating cashless payment systems with local retailers and pharmacist) are contributing to better physical health.*
- *Many leisure goods purchased (TVs, DVDs, CD players), which, together with new furniture purchased, are contributing to families spending more time together at home.*
- *Some families have purchased cars and boats enabling them to take families out bush and to go fishing.*
- *Effective debt management assistance and negotiation with the several Cape store owners has stopped spiralling 'book-up' debts.*
- *Old people report feeling safer as being in FIM is now an acceptable excuse to avoid being 'humbled'.*
- *Many participants report reduction in stress and conflict [as well as] increased feelings of control over their lives, contributing to better mental health and well-being.*

CHAPTER 4 ASSESSING THE FAMILY INCOME MANAGEMENT PROGRAM

4.1 In the communities

Page 33

Finding 4

The views expressed to the Committee by community members and community workers who were involved with the Family Income Management (FIM) program indicated that the initiative was achieving very positive outcomes in the remote communities of Cape York.

4.2 Assessment by the Department of Families, Community Services and Indigenous Affairs

Page 34

Finding 5

The Family Income Management (FIM) program currently is operating in eight remote sites in Cape York, with approximately 700 people participating in the program.

Page 34

Finding 6

Unlike other income management programs for Indigenous people, the Family Income Management (FIM) program uses a customised banking product containing linked accounts rather than simply providing information and support to enable Indigenous people to choose between existing banking products.

Page 35

Finding 7

The Commonwealth Department of Families, Community Services and Indigenous Affairs (FaCSIA), as the primary funding body for the Family Income Management (FIM) program, has assessed the program as being:

successful in improving overall management of finances for clients. It enabled clients to budget effectively for significant purchases and future needs, including the education of children. It supported fairer contributions from household members, to meet household expenses. It also had an indirect effect on overall physical and emotional health and well-being in communities, and reductions in drinking and gambling, court appearances and imprisonment and utility disconnections.

4.3 A successful initiative?

Page 35

Finding 8

The Family Income Management (FIM) program is a successful initiative because it has assisted Indigenous people in remote communities in Cape York to achieve their goals, to understand and access services available to others, and to exercise more control over their lives.

4.4 The cost of FIM

Page 36

Finding 9

The Family Income Management (FIM) program has been supported by Commonwealth funding of approximately \$9 million over six years.

Page 37

Finding 10

The Family Income Management (FIM) program receives considerable additional corporate support, through:

- Indigenous Enterprise Partnerships, a Melbourne-based not-for-profit organisation which describes itself as channelling ‘corporate *and philanthropic resources into Indigenous development*’, which initially identified Westpac to help in FIM trials;
- Westpac which second its skilled employees to the FIM program four times a year, for a duration of four weeks, to work at the trial sites. It also provides expertise in accelerated documentation and system disciplines, accounting coordination, evaluation model, resources and FIM engagement at community level; and
- various organisations’ representation on the FIM Steering Committee and local reference groups.

Page 38

Finding 11

The majority of employees working on the Family Income Management (FIM) project were Indigenous, and a number were employed using Commonwealth Community Development Employment Projects (CDEP) funding.

The costs for these employees therefore are not covered by the FIM budget.

Moreover, CDEP employees voluntarily contribute part of the value of their work to the FIM program as they do not receive the wages they would be entitled to if they were employed other than through CDEP.

Page 38

Finding 12

The estimated cost of the substantial additional resources provided to the Family Income Management (FIM) program by way of its utilisation of Community Development Employment Projects (CDEP) workers, Westpac secondees and expertise, and other corporate contributions is not available.

However, the Committee is satisfied that FIM has been a relatively costly program to develop and implement.

4.5 A model for development and implementation

Page 40

Finding 13

Key factors identified by community members and workers which contributed to the success of the Family Income Management (FIM) initiative were:

- the modification of the program in response to the communities' concerns;
- the recognition of people's capacity and aspiration to exercise autonomy over their income; and
- the implementation of the initiative by people who were known and trusted by the community.

Page 41

Finding 14

The first of five good practice principles identified by the Foundation for Financial Literacy that would improve organisations' *'capacity to meet the needs of Indigenous peoples and the effectiveness of financial literacy programs and resources'* is to:

Build trusting relationships and work together with Indigenous Australians.

In relation to that principle, the Foundation assessed Indigenous project ownership as vital and advised organisations to:

Listen to Indigenous people within the community and work out a way forward together.

Page 41

Finding 15

The Committee agrees with the Financial Literacy Foundation's assessment of the need to be responsive to community expectations and for there to be close relationships with those involved in the implementation of the program.

The Committee believes that these were critical factors in the success of the Family Income Management (FIM) initiative in the remote Indigenous communities of Cape York.

Page 42

Finding 16

The issue of control over income is a critical one, as the Chairman of the Financial Literacy Foundation identified:

I agree with the saying that 'money does not make you happy', but being in control of your money gives more choice over how you live your life, and the choices you make about health, housing, education and leisure time.

It's really important that Indigenous Australian get the chance to learn about money management in a way where they share ownership of the process and come up with approaches that work best for them.

Page 43

Finding 17

It does not surprise the Committee that, given the historical context of Indigenous people being subjected to the regime of 'Native Protectors', the outcome of community input into the development and implementation of the Family Income Management (FIM) program was that individuals were able to retain more control over their income than had originally been proposed.

4.6 Limitations of FIM

Page 43

Finding 18

The economic poverty experienced by many Indigenous participants in the Family Income Management (FIM) program limited the capacity of the program to assist participants to 'live and pay expenses' and at times, children and adults continued to go hungry.

The Committee was advised that the only solution to the extent of poverty was for Indigenous community members to work with others, pooling their income.

Page 44

Finding 19

At the time of the Committee's travel to Cape York, in November 2006, Cape York Partnerships identified the purely voluntary nature of the Family Income Management (FIM) program as limiting the potential of the existing program to assist those most in need.

Page 44

Finding 20

In November 2006, Cape York Partnerships intended to make changes to the Family Income Management (FIM) program so that, in conjunction with the Welfare Reform agenda, it would revert to the original model proposed. That is, to a program providing for the mandatory control of people's income so that *'something would be done with the flow of money to address substance abuse'*.

Significantly, this appeared to be contrary to the reforms which had been insisted on by communities.

Page 45

Finding 21

Cape York Partnerships intended that the Family Income Management (FIM) program would be maintained as a voluntary program, but that it would also be available on an involuntary basis for persons who consistently did *'the wrong thing'*.

For such persons, the primary needs of the household, such as food, rent and school expenses, would have to be met, although there would be allowance made for funds (if any) to be discretionary once those primary commitments were met.

CHAPTER 5 OTHER INITIATIVES

5.1 Welfare Reform

Page 49

Finding 22

When utilised to impose the Cape York Welfare Reform Project's '*Conditional Income Management*', Family Income Management (FIM) is intended to play a very different role to the one that it performed at the time of the Committee's travel to Cape York. FIM would become a mandatory program with a punitive aspect.

Page 50

Finding 23

Little information has been made publicly available about the progress of the Cape York Welfare Reform Project.

In any event, it appears that the establishment of a Family Responsibilities Commission (FRC) as a statutory authority, a critical proposal amongst the Project's '*design recommendations*', had not been implemented.

Page 50

Finding 24

The Committee is not able to assess the success or otherwise of the proposal to utilise Family Income Management (FIM) as a mandatory program as part of the Cape York Welfare Reform Project.

5.2 MoneyBusiness

Page 56

Finding 25

It appears to the Committee that, although there are some parallels, the MoneyBusiness approach differs considerably to the Family Income Management (FIM) approach.

Notably MoneyBusiness relies upon a generic program, adapted for local delivery and delivered by local workers, while FIM appears to have developed as a specific program for, and by, the communities of Cape York.

The FIM program is also regionally administered and *'project managed'* by Cape York Partnerships, while MoneyBusiness is not implemented on a regional basis, but at a number of specific sites with separate project managers and service providers, and is administered by the Department of Families, Community Services and Indigenous Affairs (FaCSIA) in Canberra.

Page 56

Finding 26

In the absence of any evaluation by the funding body, the Department of Families, Community Services and Indigenous Affairs (FaCSIA), and without the opportunity to meet with and discuss MoneyBusiness with the community members and workers at sites where the program is operating, the Committee is not able to assess the success or otherwise of the MoneyBusiness initiative.

5.3 'Emergency response'

Page 58

Finding 27

It appears to the Committee that although there are some superficial parallels between the quarantining of welfare payments occurring as part of the Commonwealth intervention in the Northern Territory and the Family Income Management (FIM) program, there are critical distinctions:

- FIM is a voluntary program and the Commonwealth intervention relies upon the mandatory quarantining of income;
- FIM relies upon Community Development Employment Projects (CDEP) workers, while the Commonwealth initiative is tied to the removal of CDEP from the remote communities in which it has been implemented ; and
- the FIM program, in both its voluntary and proposed involuntary forms, has been developed in consultation with the communities in which it is implemented, while the Northern Territory intervention occurred in the absence of any consultation with affected Indigenous communities.

Page 59

Finding 28

The Commonwealth intervention in the Northern Territory has been highly contentious.

Without the opportunity to meet with and discuss the intervention with the community members and workers affected, the Committee is not able to assess the success or otherwise of this initiative.

CHAPTER 6 CONCLUSION

Page 61

Finding 29

Family Income Management (FIM), as a voluntary program, has been a highly successful initiative in the remote Indigenous communities of Cape York.

Finding 30

Even in the absence of the formal recognition, there are regional Indigenous agencies which have capacity to project-manage any income management initiative modelled on the Family Income Management (FIM) program and to fulfil the role of Cape York Partnerships in Western Australia.

RECOMMENDATIONS

CHAPTER 6 CONCLUSION

Page 63

Recommendation 1

The Committee recommends that State government, in collaboration with not-for-profit and private agencies as it considers appropriate (but subject to fostering Indigenous regional project-management), initiate regional programs with remote Aboriginal communities and agencies to develop and implement initiatives based on the Cape York voluntary Family Income Management (FIM) model.

The FIM model should be adapted to meet the needs and expectations of local communities.

MINISTERIAL RESPONSE

In accordance with Standing Order 277(1) of the Standing Orders of the Legislative Assembly, the Education and Health Standing Committee directs that the Minister for Indigenous Affairs and the Minister for Communities report to the Assembly as to the action, if any, proposed to be taken by the Government with respect to the recommendations of the Committee.

CHAPTER 1 INTRODUCTION

1.1 Background

The Education and Health Standing Committee's Report No 7, *Initiatives in the Remote Indigenous Communities of Cape York*, identified the remarkable influence of Mr Noel Pearson and the 'Cape York Agenda'⁹ over public policy on Indigenous issues in Australia in recent years, particularly in relation to remote Aboriginal communities.

Since that report was tabled in Parliament, in June 2007, Mr Pearson's views have become even more significant as a result of the Commonwealth's 'Northern Territory Emergency Response'. There are parallels between measures forming that 'Response' and some of the initiatives implemented by Mr Pearson as part of his 'Cape York Agenda' (refer to Chapter 5.3). Full detail of many of the 'Agenda' initiatives is provided in the Committee's Report No 7. One significant initiative which was not examined in any detail in that report, however, was the Family Income Management (FIM) program.

Instead, the Committee decided that FIM should be documented as a 'successful initiative' in its own right. This was because, when the Committee travelled to Cape York in November 2006, the FIM initiative appeared to have been particularly successful in assisting Indigenous people in Cape York to manage their income and to access banking services.

This, the fourth report in the series on its current *Inquiry into Successful Initiatives in Remote Aboriginal Communities*, is the report on the FIM initiative.

1.2 This Inquiry

The Education and Health Standing Committee resolved to undertake an *Inquiry into Successful Initiatives in Remote Aboriginal Communities* on 23 August 2006. As indicated in the Committee's previous reports on this Inquiry, the intention was to highlight those initiatives which are bringing positive outcomes to remote Aboriginal communities. It was hoped that this not only would provide models for consideration and adaptation by remote communities in Western Australia, but also would highlight successes at a time when there is much focus on the negative and dysfunctional aspects of some communities.

In the preliminary stages of this Inquiry, in November 2006, Committee members travelled to meet with Mr Noel Pearson and to visit a number of the Cape York communities to gain an insight, first-hand, into what was occurring there. The Committee also took the opportunity while in far north Queensland to visit the Torres Strait Islands. Of particular interest was the continuing role of the Indigenous regional representative authority, the Torres Strait Regional Authority,

⁹ Pearson, N, 'The Cape York Agenda', Address to the National Press Club, Canberra, 30 November 2005. See also Pearson, N, *Our Right to Take Responsibility*, Noel Pearson & Associates, Cairns, Queensland, 2002, p 5.

despite the abolition of that model for Indigenous administration in the remainder of Australia with the abolition of the Aboriginal and Torres Strait Islander Council (ATSIC) in 2005. The Committee intended to produce a number of reports drawing from these travels during 2007.

The referral of the *Inquiry into the Cause and Extent of Lead Pollution in the Esperance Area* to this Committee by the Legislative Assembly on 4 April 2007 interrupted the Committee's plans. With the tabling of its findings and recommendations for that inquiry on 6 September 2007 (in Report No. 8), the Committee resumed its *Inquiry into Successful Initiatives in Remote Aboriginal Communities*.

As already mentioned, this Report on the FIM program is the fourth in that Inquiry. However it is the first to specifically examine, report and make recommendations on a successful initiative in remote communities. The three previous reports have been published more as background to the Inquiry.

The first report in this Inquiry, Report No. 6 *Where from? Where to? A Discussion Paper on Remote Aboriginal Communities*, tabled on 5 April 2007, provided background on the emergence and current circumstances of remote Aboriginal communities in Western Australia. It was hoped that the discussion paper would contribute to an informed debate on these issues. Public submissions were invited on the contents of the report, and on particular future policy directions in relation to remote Aboriginal communities. A final report, incorporating the public submissions received, will be published later.

The second report in this Inquiry was Report No 7 *Initiatives in the Remote Indigenous Communities of Cape York*, referred to previously. That report was essentially a descriptive account, drawing from publications by Mr Noel Pearson, related Cape York agency websites, and information presented at the inaugural Cape York Indigenous Organisations Regional Conference, to which the Committee was kindly invited by Mr Pearson. That information was supplemented by the Committee's observations and informal discussions during its trip to Cape York, and related research materials. The report was intended to provide an account of the '*Cape York Agenda*', its various initiatives, the complex array of organisations associated with its implementation, the critical debates surrounding its influence, and the considerable financial commitment of governments and others that has been marshalled to implement Mr Pearson's vision for the Cape. As the FIM initiative is part of that vision, Report No. 7 may be of particular interest to readers of this Report.

The third report in this series, Report No. 10, was *An Examination of Indigenous Employment by the State*. It concerned the unique opportunity available to the State, as the leading employer in Western Australia, to provide Indigenous people with opportunities for economic participation and accessible and appropriate services, through developing a State agency employee profile that is reflective of the broader community, including a growing Indigenous population. In particular it was the Committee's view that the current situation in remote communities provides the State with an opportunity to stimulate employment for its Indigenous citizens in a meaningful and sustainable way.

1.3 This Report

This Report is about the Family Income Management (FIM) program.

FIM is listed as a project under the auspices of Cape York Partnerships,¹⁰ is funded by the Commonwealth Department of Family and Community Services and Indigenous Affairs (FaCSIA), and is supported by the Westpac Banking Corporation through a secondee program which was developed under the Indigenous Enterprise Partnerships (IEP) program.¹¹ As illustrated in more detail in the remainder of this Report, FIM utilises a specifically designed Westpac banking product, developed in collaboration with Cape York communities, and consisting of linked accounts with a separate '*FIM*' savings account which cannot be accessed without the FIM worker's approval. FIM also provides budgeting assistance to participants, facilitates access to banking services (including internet banking), arranges group purchasing discounts, assists in ensuring correct Centrelink entitlements are received, and provides consumer rights and responsibilities education.

In brief, FIM has been described as a money management system specifically designed to meet the goals of Indigenous people in the remote communities of Cape York.

As indicated, FIM is one of the initiatives implemented in the remote Indigenous communities of Cape York as part of Mr Noel Pearson's '*Cape York Agenda*'. In late 2005, Mr Pearson delivered an updated version of the '*Cape York Agenda*' to the National Press Club. Mr Pearson stated that:

*The end goal of the Cape York Agenda can ... be expressed as seeking to ensure that Cape York people have the capabilities to choose a life that they have reason to value.*¹²

On the evidence available to the Committee, particularly as a result of its travel to the Cape York communities of Mossman Gorge and Coen, the Committee believes that the FIM initiative has, to paraphrase Mr Pearson, assisted Indigenous people in those remote communities to acquire the capabilities needed so that they can choose a life they have reason to value.

¹⁰ The Cape York Partnerships website states that it is a community development organisation formed in 1999 through an agreement between the Queensland Government and regional Indigenous organisations and it is owned by Cape York Corporation Pty Ltd (Cape York Partnerships, Available at: www.capeyorkpartnerships.com/index.htm Accessed on 27 February 2007 and Cape York Organisations, Available at: www.capeyork.org/index.html Accessed on 16 March 2007). It is one of organisations associated with the implementation of Mr Pearson's '*Cape York Agenda*' (Education and Health Standing Committee, Report No 7, *Initiatives in the Remote Indigenous Communities of Cape York*, 2007, Chapter 4.)

¹¹ IEP is a Melbourne-based not-for-profit organisation which describes itself as channelling '*corporate and philanthropic resources into Indigenous development*', and it arranges business support for the Cape York initiatives, amongst other things (Indigenous Enterprise Partnerships, Available at: www.iep.net.au/ Accessed on 27 February 2007). Mr Noel Pearson is an IEP Board member.

¹² Pearson, N, *The Cape York Agenda*, Cape York Institute for Policy and Leadership, Cairns, 2005, p 2.

Finding 1

On the evidence available to the Committee, particularly as a result of its travel to the Cape York communities of Mossman Gorge and Coen, the Committee believes that the Family Income Management (FIM) initiative has, to paraphrase Mr Noel Pearson, assisted Indigenous people in remote communities to acquire the capabilities needed so that they can choose a life they have reason to value.

Once again, the Committee would like to acknowledge the generous assistance of Mr Pearson and the many other individuals and institutions associated with the Cape York initiatives. Although too many to be named individually, the Committee would especially like to acknowledge the assistance of those listed in Appendix 1, who met with the Committee on a more formal basis.

By documenting the FIM initiative, the Committee hopes to provide a model for consideration and adaptation by remote communities in Western Australia, and also to highlight a success at a time when there is much focus on the negative and dysfunctional aspects of some communities.

CHAPTER 2 THE NEED FOR INCOME MANAGEMENT SKILLS

2.1 Background

The capacity to understand and manage finances is essential in a modern economy. It is of particular significance for people such as members of Indigenous communities who have access to far less economic resources than others, and who, more than many other ethnic and cultural groups, have strong familial and kinship obligations tending to place greater demands upon those already limited resources.

Programs such as Family Income Management provide a means for Indigenous people to acquire the financial literacy and money management skills that may not otherwise be available to them. The historical, contemporary and cultural circumstances of many Aboriginal people in Western Australia are examined in this Chapter, so that the need for such an initiative can be appreciated.

2.2 A 'pin-pricking domination'

In 1991, the Commissioner in the Royal Commission into Aboriginal Deaths in Custody referred to the 'degree of pin-pricking domination' which marred the lives of many Aboriginal people. He wrote:

Non-Aboriginal Australia must face the fact that for a very long time we have proceeded on the basis that Aboriginal people were inferior, were unable to make decisions affecting themselves, that we knew what was best for them, that we had to make decisions affecting them; it became second nature for us to have that attitude. It is very easy for us to adopt that attitude without even being aware that we are adopting it. This is true both for public officials and for private persons. It is an attitude which is very deeply resented by Aboriginal people, as would, indeed, be by us if roles were reversed. I say very frankly that when I started upon my work in this Commission I had some knowledge of the way in which broad policy had evolved to the detriment of Aboriginal people and some idea of the consequences. But, until I examined the files of the people who died and the other material which has come before the Commission and listened to Aboriginal people speaking, I had no conception of the degree of pin -pricking domination, abuse of personal power, utter paternalism, open contempt and total indifference with which so many Aboriginal people were visited on a day to day basis. It is hard to convey the understanding because each particular story takes time and space to tell. Some of the stories are contained in the individual case reports. Let me refer to just two.

... a protector in Queensland ... was quite shocked to receive a request from a newly-married Aboriginal woman to have from her bank account, of which he was trustee, four-fifths of her week's earnings, even though he acknowledged that her employer--who was going to do the shopping--would be very careful in the disbursement of her money. He

refused the request but as it was Christmas allowed her a little of her own money 'to buy lollies with' (for which she had not asked).

In one of the cases that I inquired into, a young boy was put in an institution because he kept running away from his home where there was a lot of domestic strife. He wanted to go to the home of his sister, a married woman, who lived on a reserve. The sister and her husband are to this day leading members of the community. The superintendent refused the lad permission to come on to the reserve to join his sister. His reasons included that the couple were thought to keep some beer in the fridge--at a time when it was lawful for them to do so--and they had some household items on hire-purchase, including a TV...

This petty tyranny, escalating to interference with the most fundamental of rights to practise one's own culture, one's own religion, to parent one's own children is deeply resented. Any assumption of superiority, any attitude of knowing what is best for Aboriginal people produces a negative reaction and endangers the process of consultation and negotiation.¹³

As illustrated by one of the examples cited by the Commissioner, one aspect of this domination of Indigenous people concerned their access to, and control over, financial resources.

The practices associated with this denial of access to, and control over, finances are often referred to as 'stolen wages'.¹⁴ Although significant throughout Indigenous Australia, Chapter 2.3 examines the issue of 'stolen wages' in Western Australia.

2.3 'Stolen wages'

In May 2007, the State government announced that a taskforce would be established 'to investigate stolen wages of indigenous people in the State'.¹⁵

In this context the term 'stolen wages' has been defined by the Department of Indigenous Affairs to refer to the:

wages, savings, entitlements and other monies that Aboriginal and Torres Strait Islander people may have had controlled in Western Australia between 1905 and 1972.¹⁶

¹³ Johnston, E, *National Report of the Royal Commission into Aboriginal Deaths in Custody*, 1991, Volume 1, 1.7.23 - 1.7.25.

¹⁴ Refers to Aboriginal and Torres Strait Islander people's entitlements, including wages, savings and social security payments, which were controlled or withheld by governments and third parties, such as pastoralists or missions.

¹⁵ Minister for Indigenous Affairs, Media Statement, 'New taskforce to investigate stolen wages of indigenous workers', 30 May 2007.

¹⁶ Department of Indigenous Affairs, 'Stolen Wages', Available at: www.dia.wa.gov.au/policies/stolenwages.aspx Accessed on 23 October 2007.

The Department also advised that the taskforce, consisting of representatives of a number of State Departments, is due to report to Cabinet in June 2008.

The significance of this taskforce for the purposes of this Report is its acknowledgement of the historical practices in Western Australia which saw Indigenous people deprived of both their entitlements and the opportunity to control expenditure of their own monies. While the Department of Indigenous Affairs notes that:

In the absence of a detailed examination of Western Australian records, it is not possible to determine the extent of the above practices or calculate how much money may have been retained by the State Government or other parties. However, from records available it is estimated that there are 28,000 references that suggest wages were either lost, stolen or withheld.¹⁷

The Department also noted that:

Throughout the 19th and 20th centuries, governments and other parties adopted extensive controls over the employment, working conditions and wages of Aboriginal people. Those controls permitted the non-payment or underpayment of wages to Aboriginal workers, and the diversion of wages into trust and savings accounts managed by the government and third parties.

Evidence suggests that in Western Australia Aboriginal workers were not paid wages. In addition, under the Aborigines Protection Act 1886 (WA) employment contracts for Aboriginal people could not include the payment of wages; instead payment was via rations, clothing and blankets.

Prior to the 1967 referendum, it is also possible that Commonwealth entitlements were often denied to Aboriginal people or paid to third parties (including missions, other institutions, pastoral station owners and agencies of the State). These entitlements included child endowment; maternity allowance; invalid, old age and widows' pensions; unemployment and sickness benefits; and war and service pensions.¹⁸

The following extracts from Dr Rosalind Kidd's *Hard Labour, Stolen Wages* illustrate the range of interventions that deprived Indigenous Western Australians of both their income and the opportunity to manage income. The extracts also demonstrate how recently these kinds of interventions continued to be deployed.

Controlling work and wages

... At a national conference in 1948, Western Australia was the only state failing to support a recommendation that a minimum cash wage be paid direct to all pastoral employees. In 1948 the Bateman Royal Commission acknowledged the pastoral industry was 'almost entirely dependent on native labour' and recommended a small cash wage paid as credits

¹⁷ Department of Indigenous Affairs, 'Stolen Wages', Available at: www.dia.wa.gov.au/policies/stolenwages.aspx Accessed on 23 October 2007.

¹⁸ *ibid.*

through station stores. Like the pastoral industry, Western Australia's Goldfields would also not have prospered without the virtual slave labour of Aboriginal workers.

While most protectors only consulted station managers, a new protector in the Kimberley in 1949 spoke with camp inmates, many of whom demanded better living and working conditions. He found that the young, elderly and women were commonly worked without wages, many of the latter at full time stock work, and he urged the department to enforce the 1936 Act and regulations. Discrediting pastoralists' claims that Aboriginal workers were too primitive to understand money, he questioned how 'a lot of unintelligent people could completely run sheep and cattle stations as they are doing throughout the Kimberleys' and said 'there is no doubt at all that the natives themselves want wages'. But in 1950, despite severe shortages of white labour, Aboriginal stockmen were still paid only £2 (\$61) weekly (one quarter the white rate), and most were 'in debt' to station stores.

Kimberley pastoralists rejected any official intervention over work agreements, conditions, wages or trust accounts. In 1950, when an informal agreement was crafted between the department and the pastoralists setting monthly pocket money of £1 (\$30.50) to drovers and 10 shillings to women and all other workers, pastoralists were told even this cash component would not be enforced; the 'pocket money' could be paid as store credits or rations at the managers' discretion. (Award wages for station hands were then £9.13.0; the old age pension was around £3.) For many key pastoral workers the set rate was much lower than wages previously negotiated. Town workers in the north had no security of wage rates with many domestics paid 5 shillings weekly, working without breaks and provided shoddy accommodation.

In 1952 the commissioner of Native Welfare said the 'native contribution' to the state's economy was in direct ratio to the value of the pastoral industry, which he put at £26 million (\$568 million), yet the department's officer reported workers had the status of slaves:

The resources of this country have been developed at the cost of the labour employed. Men have added to their worldly possessions at the cost of other men. Such development has only one true name, and that is exploitation.

The Native Welfare Act (1954) marked the end of employment permits and a range of restrictions but it did not address the failure to pay wages in the north. Station managers were now required to keep a written record of goods sold to Aboriginal employees in lieu of wages but in the north many large stations simply economised by cutting rations and living conditions to the bare minimum. Increased patrols in the 1950s and 1960s reported that rations and amenities were commonly appalling. Although wages were listed on many station reports workers say they never got any money: 'the people themselves existed in an entirely cashless economy.' It is clear the state government not only knew of the 'semi-slavery' endemic to the pastoral industry but supported it.

In 1962 and 1963 demand for pastoral workers exceeded supply in the Kimberley and many workers moved off the stations to the towns where wages were ten times higher, although it was reported in 1965 that people who refused work at below award wages were denied unemployment benefits. In 1966 the head stockman on Kimberley Downs earned only \$10 (\$71) a week, and domestics were paid half that; several workers from

this station threatened to walk off in 1968 over poor rations and the working of women without pay. Implementation of the 1967 decision to include Aboriginal workers in the national Pastoral Industry Award was deferred in the Kimberley until the 1969 work season, and applied only to union members and full-blood Aborigines holding a certificate of citizenship; domestic workers were excluded. By 1970 only around 50 per cent of Kimberley workers were paid equal wages and very few were unionised; a large percentage worked for partial wages under the 'slow worker' tag, the department maintaining it had no jurisdiction over its application. Many 'slow workers' were paid only \$20 weekly; Mt Elizabeth station paid every stockman only \$15. Although legislation in 1972 lifted the last restrictions from full-blood people in the Kimberley, including the pre-requisite of citizenship status for exemption from government controls, some stations continued to maintain that award wages were not due to non-union labour. Records suggest the department failed to follow up constant complaints of underpayment of wages, some persisting over many years.¹⁹

Child workers

... The Native Administration Act (1936) extended the commissioner's (previously chief protector) guardianship over all legitimate and illegitimate children, whether or not their parents were living, from 16 years to 21 years. Regulations in 1939 continued the indenturing of children under 14 years, although this now required the commissioner's approval. Full blood children were rarely removed in the north, being considered an employment resource on the stations, and the commissioner admitted the department had no idea how many half-caste children were worked on Kimberley stations because many pastoralists feared the loss of child workers and refused to declare them or negotiated informal exemptions from departmental controls. Removals of Aboriginal children from the late 1940s were more frequently processed under the Child Welfare Act (1947) which allowed children defined as destitute or neglected to be taken into state care and boarded out or put into service until the age of 18 (for boys) and 21 (for girls). Pastoral station records from the 1950s show children as young as eleven listed as workers.

In 1948, as minimum wages were debated in the Kimberley, the matter of child workers on the missions was raised by the pastoral lobby. The department declared complaints about working conditions were irrelevant because mission children were not 'commanded' or 'ordered' to work and therefore were not 'employed' in a legal sense under Masters and Servants laws. In 1958 it was estimated almost 25 per cent of Kimberley children were confined on the missions. Although the Native Welfare Act (1954) revoked the removal powers of the Aboriginal commissioner he remained guardian of Aboriginal children until 1963.²⁰

Trust funds

... The 1936 Act empowered the Aboriginal department to officially control all property of intestate wards, previously controlled by the curator of Intestate Estates. By 1940 it held a 'substantial amount', including one estate of £400 (\$20,150) which it refused to pay to the beneficiary despite numerous requests. The department was also aware many beneficiaries

¹⁹ Kidd, R, *Hard Labour, Stolen Wages, National Report on Stolen Wages*, Australians for Native Title and Reconciliation (ANTaR): 2007, pp 101-103.

²⁰ *ibid.*, pp 106, 107.

knew nothing of the inheritances it held for them. After 1936 the department claimed the wages of any absconding or deceased workers which, with the estates, went into a special trust fund for the benefit of Aborigines generally. In 1940 the commissioner of Native Affairs admitted: 'Our trusteeship of the moneys is a delicate matter ... so we must be extremely careful in all our actions.' In 1944 the department controlled 560 private accounts holding £2862 (\$122,550) with a further £6550 (\$280,470) held in investments. A file for 1959 lists 'Natives in Possession of Cash and Investments in Trust'. The department was still dispensing from the 'Special Trust Account' in the 1970s.

*Records suggest that people who defaulted on mortgage payments under the State Housing Commission scheme of the 1960s were denied recovery of funds paid in over several years...*²¹

Management of Commonwealth Benefits

... In the south the department controlled women's access to endowment by delegating local police protectors as trustees for the mothers to purchase rations for distribution from the bulk endowment income. The commonwealth criticised the department for using endowment as a surveillance and disciplinary mechanism to foster industrious habits among eligible mothers, and also for relying too much on police rather than welfare officers. After 1948 children on pastoral stations also became eligible for endowment and a few mothers were paid direct if a department officer or police protector vouched for their capability to handle it. But most mothers were deprived of their endowment and remained trapped in poverty on the stations, losing custody of their children to the missions to which their entitlement was then paid in full. In 1950 the missions reaped endowment of £12,000 (\$366,960) which the director admitted was essential to their survival; endowment was, he said, 'a great saving to the state.' By 1958 it was estimated half the children in the Kimberley were confined on missions, subsidised through endowment. In 1962 the missions banked child endowment of £31,480 (\$537,050) for 1703 children.

For many pastoral stations endowment provided substantial revenue. Vesty's claimed endowment for 65 children in 1950 and 72 in 1960 on its five pastoral stations in the east Kimberley. It was not until after 1960 that patrol officers routinely questioned how the money was applied and many stations used the bulk revenue to cover rations previously supplied from station accounts, reaping a profit from the endowment...

Eligibility after 1959 for Aboriginal people to receive the maternity allowance and old age, widows and invalid pensions further fractured dependence on station rations and increased the movement to town reserves in the Kimberley, particularly families with children confined on the missions. Within six months of pension availability claims were processed for over 660 people bringing an estimated £5000 (\$85,000) fortnightly to the Kimberley; Mary Anne Jebb states this was a financial boon to the department which discontinued rationing for towns and missions: 'Social Security funds now completely financed ration allowances to Aboriginal adults in the Kimberley'. On the stations managers were nominated as 'warrantees' for pensioners, initially passing on only 10 shillings and retaining the remaining £9 'for pensioners' maintenance and improvements

²¹

Kidd, R, *Hard Labour, Stolen Wages, National Report on Stolen Wages*, Australians for Native Title and Reconciliation (ANTaR): 2007, p 110.

in accommodation and general welfare.' The balance of the pension was paid into station accounts which were at times controlled by interstate management.

In 1960 stations in the Kimberley were directed to bank £2 in the name of pensioners. Missions similarly passed on only a fraction of the pension although maternity allowances were paid direct to superintendents for distribution to the mother in cash or goods. Kalumburu mission kept the whole pension payment; and £9 of the pensions for people at Mowanjum mission was retained by the Melbourne head office, leaving only 10 shillings for pensioners. Cundalee mission kept the pensions of people who moved away for long periods for work or ceremonial purposes; it withheld two-thirds of pensions of mission residents in 1960, ostensibly to be applied on their behalf, yet after 15 months all that had been supplied was a few tents.

The requirement to accurately nominate station families for social security entitlements revealed greater numbers of station dwellers from the early 1960s as native welfare officers were instructed to check station books to verify outlays on amenities and rations. Because of their conflict of interest town storekeepers were barred from being warrantees for social security payments, but there was no such protection against exploitation by station stores and 1962 regulations against inflating prices applied only to goods supplied to employees. Many stations not only inflated costs of rations supplied but deducted additional fees for providing stores and amenities.

In southern rural areas Native Welfare officers ran a pension bank account for bulk payments, and individual accounts for some pensioners which were subject to audit after 1963. There is evidence the department exploited its trusteeship of welfare benefits: in 1962 and 1966 it threatened to withhold pensions for elderly people who refused to relocate from Sunday Island and Forrest River, respectively.

In 1963 the pension was £19.10.0 (\$331.50) or three times a stockman's wage in the north; yet some bulk-paid stations spent only £4 (\$68) fortnightly on pensioner rations. Welfare officers reported many stations retained pensions but provided no improved amenities for pensioners and some stations used pension accounts to pay wages. It was reported pensioners on some stations were barely alive forcing mothers to use limited endowment cash on food and necessities for extended families. Although Aboriginal workers were eligible for unemployment benefits, from 1964 most Kimberley workers were excluded because they lacked a formal work or wage history due to the legacy of general permits and unpaid labour. After 1964 guidelines for station use of pensions tightened to exclude provision of general housing and 'community uplift'. In 1965 it was alleged large pastoral companies might be withholding pensions on a scale similar to the £9000 (\$143,820) said to be held by managers at Wave Hill in the Northern Territory.

In 1965 the director of Social Security warned the Native Welfare department that pensioners in the Kimberley rarely received 'reasonable benefit' from their pensions, in part because wages were so low in comparison to the full benefit: 'instead of Commonwealth pension moneys benefiting the pensioner only, they are undeservedly and unnecessarily benefiting the station'. He proposed responsibility for welfare payments be transferred from the Aboriginal to the welfare department. One station manager had claimed for a pensioner who had died two years earlier, and for another who had lived elsewhere for almost a year; it was common to use pension income for general station

improvements while many pensioners endured dire conditions. In 1967 close inspection revealed no accounting of \$9840 (\$73,702) deducted from pensions on one station while \$2000 had been paid into the station account and a further \$5500 had been claimed for freight – for nine pensioners. Other stations kept no accounts at all to certify allocation of pension monies. Records suggest misappropriation of benefits was widespread on Kimberley stations, and probably other remote areas also.

A full survey of pensioners in 1967 was hampered by managers who refused to allow inspection of their books on legal advice they were trustees for the pensioners, not for the Social Security department. Many pension account books were described as ‘very inadequate’ or ‘carefully doctored’; while the impoverished condition of pensioners generally attested to their failure to benefit from the payments.

The district officer in the Kimberley concluded both the stations and the missions were ‘making a quid out of pensioners.’ It was common practice on the missions to register a nil balance in the name of deceased pensioners; the commissioner declined to intervene because the missions held no individual accounts, processing bulk pension payments through their general accounts. In 1966 Social Security made direct payments of \$9 of the \$23.50 pension to 433 recipients, whether on church, government or pastoral properties. By 1967 most town pensioners received their full pension direct into their accounts, but on some stations people still complained in 1968 they received neither the maternity allowance nor their endowment. After 1968 Native Welfare officers were instructed not to act as trustees nor to interfere with how pensioners spent their money. By 1969 all pensions were paid direct to the individual concerned. Commonwealth welfare benefits compared well with non- or underpaid wages, enabling people to move to the towns to be near their children and elderly relatives.²²

2.4 Lack of opportunity

The practices associated with ‘*stolen wages*’ historically have repercussions for both Indigenous people’s access to financial resources and their opportunities to have acquired the capacity to manage those resources. Ironically, the more recent trend away from the control exercised over Indigenous people’s lives, particularly over those residing in remote communities, has created new issues in relation to Indigenous people’s access to, and capacity to manage, financial resources.

Mr Neil Westbury and Mr Michael Dillon write in their analysis ‘*The Institutional Determinants of Government Failure in Indigenous Affairs*’:

Fifty years ago, government and its agents directly participated in community life, and in many cases exerted direct control over much that occurred in remote communities of an inter-cultural nature, through the agency of patrol officers, magistrates, justices of the peace and police, ‘sub-contracted’ missionaries, pastoralists and traders, and through protectors charged with overseeing the administration of ‘native affairs’. Since the advent of ‘self-government’ and direct Commonwealth involvement (which has amounted almost exclusively to funding of Indigenous corporations), those agents of government have been

²²

Kidd, R, *Hard Labour, Stolen Wages, National Report on Stolen Wages*, Australians for Native Title and Reconciliation (ANTaR): 2007, pp 111-114

withdrawn (or so severely compartmentalized that they may as well have been withdrawn), and with that disengagement, the institutional framework of government which operates in the rest of the nation disappeared in those communities. This has also meant that many Indigenous organisations were left with no choice but to pick up largely unfunded services which materially impact on their overall organisational capacity and effectiveness...

There are a range of reasons why government disengagement has persisted in the Indigenous realm. First, in terms of service delivery, globalisation has meant that both the public and private sector have withdrawn infrastructure across the board in regional Australia. The progressive contraction of banks, post offices and other once common facilities to regional centres has meant that remote citizens have a more limited experience of national commercial norms and opportunities. In an economy where the vast majority of jobs are in service industries, the contraction of services is essentially the contraction of the so-called 'real economy'. As a result, Indigenous citizens miss out on the normal opportunities to participate in the economic and commercial life of the nation.

To take just one example, one consequence has been to constrain and limit the capacity for remote community members to develop financial literacy and money management strategies necessary for financial survival in today's world. Most Indigenous residents of remote communities do not, even today, have personal superannuation, contents insurance, home insurance, life insurance, a mortgage, or health insurance, a cheque account or a credit card...

2.5 Contemporary circumstances

'Stolen wages' and the more contemporary disengagement of government institutions from remote Indigenous communities provides the context in which Indigenous people have become generally the most economically marginalised group in Australia.

A Commonwealth Parliamentary report by the Standing Committee on Legal and Constitutional Affairs *Unfinished business: Indigenous stolen wages* was published in December 2006.²³ It reported as follows:

A number of witnesses directly attributed the current poverty of some Indigenous Australians to the discriminatory treatment and control of wages that Indigenous workers were subjected to through the 19th and 20th century. Mr Robert Haebich has coined the

²³ Commonwealth, Standing Committee on Legal and Constitutional Affairs, *Unfinished business: Indigenous stolen wages*, Commonwealth, Canberra, December 2006. That report's recommendation 4 (at p xiii) was that:

(a) the Western Australian Government:

(i) urgently consult with Indigenous people in relation to the stolen wages issue; and

(ii) establish a compensation scheme in relation to withholding, underpayment and non-payment of Indigenous wages and welfare entitlements using the New South Wales scheme as a model, and

(b) the Commonwealth Government conduct preliminary research of its archival material in relation to the stolen wages issues in Western Australia.

term ‘consequential poverty’ to describe this dynamic. Professor Anna Haebich stated that in Western Australia:

... Aboriginal people played a major role in building the state economy in the pastoral and rural industries in the north and south of the state. It was the state government’s discriminatory employment system that prevented Aboriginal workers from benefiting from the Australian labour system, which was hailed around the world as an exemplary model for protecting workers’ wages and rights. Instead, Aboriginal people were subject to a disabling system which denied them proper wages, protection from exploitation and abuse, proper living conditions, and adequate education and training. So while other Australians were able to build up financial security and an economic future for their families, Aboriginal workers were hindered by these controls. Aboriginal poverty in Western Australia today is a direct consequence of this discriminatory treatment.²⁴

The most recent data on Indigenous income, based on 2001 census results, demonstrates the economic status of Indigenous people in this State. In the 2005 the Department of Indigenous Affairs reported in its *Overcoming Indigenous Disadvantage in Western Australia Report* that:

In Western Australia in 2001, 43% of Indigenous people had a gross weekly individual income of less than \$200. The corresponding proportion for the non-Indigenous population was 28%.

... While Indigenous people in Very remote areas had the lowest median weekly income (\$187) when compared with those in other areas, non-Indigenous people in Very remote areas earned the most (\$573). Part of this difference reflects the relatively large number of non-Indigenous people working within the mining industry, which is a traditionally high earning industry.

... In 2001, the equivalised household income for Indigenous people in Western Australia was \$268, which was the second lowest when compared with other states and territories (after the Northern Territory, at \$240) and lower than the Australian figure (\$282). The weekly equivalised income among non-Indigenous Western Australians was nearly twice as high (\$501).²⁵

Other key indicators of Indigenous economic disadvantage highlighted included:

Labour force participation and unemployment

A relatively low proportion of the Indigenous population are engaged in employment when compared with non-Indigenous persons. This is the result of relatively low labour force participation rates coupled with a rate of unemployment that was 2-3 times higher than that for non-Indigenous persons in 2001.

²⁴ Commonwealth, Standing Committee on Legal and Constitutional Affairs, *Unfinished business: Indigenous stolen wages*, Commonwealth, Canberra, December 2006, p 68.

²⁵ Department of Indigenous Affairs, *Overcoming Indigenous Disadvantage in Western Australia Report 2005*, 2005, Department of Indigenous Affairs: Perth, pp 66, 68, 69.

Further, CDEP employment accounts for over 30% of Indigenous employment, although this proportion is higher in Very remote areas (69%).

...

Home ownership

The level of home ownership in Western Australia was significantly greater among non-Indigenous people (74%) when compared with Indigenous people (19%).²⁶

2.6 Cultural obligations

In the context of very scarce resources, the particular cultural obligations of Indigenous people can make financial management even more difficult. In a discussion paper on *The Calculus of Reciprocity: Principles and Implications of Aboriginal Sharing*, Dr R. G. (Jerry) Schwab highlighted the complexities of the cultural principles of sharing and reciprocity in Aboriginal communities. He notes that:

Hiatt suggests that sharing is highly valued among Aboriginal people in remote communities and that there are clear objective reasons for this...

Probably every where in Aboriginal Australia the highest secular value is generosity. Readiness to share with others is the main measure of a man's goodness, and hospitality an essential source of his self-esteem ... It is likely that this pervasive and highly-developed ethic of generosity emerged as a cultural adaptation to the exigencies of hunting and gathering, and conceivably conferred improved fitness on those who adopted it...

In the Western Desert area, Tonkinson has described a similar ethos of generosity among five different linguistic groups he refers to collectively as the Mardu. Among the Mardu, prescriptions for sharing derive from the Dreamtime stories wherein specific moral lessons relate to 'proper' human behaviour. Accordingly, a respected and respectful person is one who 'shares unselfishly and without hesitation, who is generous without making an issue of it or asking for return, who fulfils ritual and kinship obligations without question'...

As Langton has written, 'different Aboriginal communities have distinctive cultural histories but a common Aboriginality'. This common Aboriginality is what makes Aboriginal communities in Broome and Brisbane or Maningrida and Melbourne similar in so many subtle ways. One of the most visible features of this common Aboriginality in urban communities is an emphasis on sharing, and anthropological studies of urban Aboriginal communities over the past 30 years are replete with examples of the ethos of sharing and generosity...

Based on these and other comments, it would appear that Aboriginal people are guided unerringly by a golden rule: one must look after one's own. Indeed, the rule is

²⁶

Department of Indigenous Affairs, *Overcoming Indigenous Disadvantage in Western Australia Report 2005*, 2005, Department of Indigenous Affairs: Perth, p 37. More recent data on Indigenous employment rates is included in the Committee's Report No. 10, *An Examination of Indigenous Employment by the State*, 2007.

encapsulated in the phrase 'caring and sharing', often used by Aboriginal people to identify their approach to life and to contrast with the behaviour of non-Aboriginal Australians who, it is said, only look after themselves. Yet, some of the previous examples suggest that sharing among Aboriginal people is not quite so simple. In fact, sharing in Aboriginal communities is far more complex and problematic than it first appears...

It is no secret that particular individuals sometimes abuse the generosity of others. In this way Aboriginal people are no different than other people. While demand sharing is the traditional pattern and Aboriginal people have developed appropriate mechanisms to ensure it is not abused, those mechanisms sometimes fail. For example, alcohol is often associated with aggressive demands and many Aboriginal households have known the frustration of dealing with aggressive drunks who appear in the middle of the night demanding food or shelter. Most often these individuals are young men. In many cases the behaviour is a bluff, with normal inhibitions and subtleties about the boundaries of demands dissolved by alcohol. Yet households without permanent male membership are sometimes singled out by such individuals since women will often give in to ensure their own safety. It should be noted, however, that in no case are such threats encouraged by any corner of the community and without exception these individuals are seen to bring shame on themselves and their families.²⁷

In more recent times, there has been a strong focus, particularly in the work of Mr Noel Pearson, on these inappropriate demands, now commonly referred to as 'humbugging'. Mr Pearson wrote:

Kin-based relationships are universal in Aboriginal Australia. Our traditional culture was one of sharing based on reciprocity. This was necessary in a society and an economy based on harvesting sometimes scarce and unreliable natural resources. Living in nature is hard and work is a daily imperative...

Traditions remain important to social interaction in indigenous communities. Obligation towards kin is perhaps the most resilient social value of our culture and it has survived in one form or another throughout Aboriginal Australia when dispossession and disruption have taken their toll on the structures and principles of traditional societies. It is as strong in the suburbs of Brisbane and Sydney as it is in the remotest communities.

Our culture of reciprocity had been a source of strength during the lean and mean times of discrimination, but in the passive welfare era it has become clear that our social and cultural values are susceptible to manipulation and corruption. In communities where social order has broken down, receiving no longer involves reciprocity. The vortex of substance abuse and passive welfare has distorted our system of reciprocal obligation into a culture of humbugging, bludging and one-sided obligation, chiefly on the part of responsible elders to irresponsible drinkers.²⁸

²⁷ Schwab, RG, *The Calculus of Reciprocity: Principles and Implications of Aboriginal Sharing*, Discussion Paper No 100/1995, 1995, Centre for Aboriginal Economic Policy Research: Canberra, pp 3, 4, 7, 9.

²⁸ Pearson, N, 'Reciprocity resurrected', *The Weekend Australian*, 12 May 2007.

Whether cast as a positive or negative practice, or as having elements of both, these cultural obligations create an additional dimension to issues of Indigenous people's capacity to manage financially. As Dr Schwab stated:

Given the prominent nature of the extended family, models of income and expenditure which appear to work well in describing non-indigenous Australian families present difficulties when mapped onto indigenous communities. Many indigenous households expand and contract in a cycle which is varied and often unpredictable. Individual or even family income is often a meaningless category, and therefore a meaningless measure of poverty, as resources are pooled or transferred among a broadly defined collection of 'kin' - some transient, some permanent - within a particular house at various times. Further, household expenditure is often highly contingent and expenses unpredictable. A complex yet subtle calculus is employed on a daily basis as individuals decide which expenses require immediate attention and which can be deferred. Thus, traditional economic concepts related to investment strategies, resource accumulation and property rights do not translate easily or may be meaningless when applied to indigenous households.²⁹

2.7 Understanding and managing finances

This chapter has outlined some of the historical, contemporary and cultural circumstances of many Indigenous people in Western Australia. The emphasis has been on those factors which have impacted upon the understanding and management of finances by many Indigenous people. Those factors include the historic non-payment and withholding of wages and other entitlements, now commonly known as '*stolen wages*', the contemporary circumstances which limit Indigenous people's access to both financial services and resources, and the cultural obligations which can impose greater financial burdens on Indigenous people.

Finding 2

There are a number of factors which have impacted upon the understanding and management of finances by many Indigenous people. These include:

- the historic non-payment and withholding of wages and other entitlements, now commonly known as '*stolen wages*';
- the contemporary circumstances which limit Indigenous people's access to both financial services and resources; and
- the cultural obligations which can impose greater financial burdens on Indigenous people.

²⁹

Schwab, RG, *The Calculus of Reciprocity: Principles and Implications of Aboriginal Sharing*, Discussion Paper No 100/1995, 1995, Centre for Aboriginal Economic Policy Research: Canberra, p 15.

Although this chapter has predominately concerned Indigenous people in Western Australia, similar issues apply to Indigenous people throughout Australia, including the Indigenous communities of Cape York. The successes of an initiative, such as the Cape York Partnership's Family Income Management, needs to be understood within this context.

Family Income Management, as it is described by Cape York Partnerships, is the subject of Chapter 3.

CHAPTER 3 FAMILY INCOME MANAGEMENT ACCORDING TO CAPE YORK PARTNERSHIPS³⁰

Cape York Partnerships (CYP) describes itself as a community development organisation formed in 1999 through an agreement between the Queensland Government and regional Indigenous organisations.³¹ It states that:

*Most agencies working in the region develop initiatives outside the region and then implement these in isolation from other agencies in a random community-by-community approach. CYP's approach however, is based on developing initiatives within the region, maximising these opportunities through partnerships and gaining support for projects at regional level to ensure regional outcomes.*³²

CYP refers to its 'Family Development Strategy' as underpinning all of the activity in which CYP engages, and describes its focus as being 'on helping to build strong and vibrant families'. The Family Income Management program is identified by CYP as one of a number of community development projects that it has 'project-managed ... to successful outcomes'.³³

CYP states that it supports these projects:

*by forming partnerships with government, corporate and philanthropic agencies, which ensures a coherent program of interrelated projects with maximum impact. All of these projects are funded by a combination of government (State and Commonwealth), corporate and philanthropic organisations. CYP has governance processes to ensure accountability of activities and management of funds and has independently audited financial reports to support this.*³⁴

The remainder of this chapter consists of the material quoted directly from the Cape York Partnership's website about the FIM project.

³⁰ Unless otherwise indicated, this chapter consists of the material on Family Income Management available from the Cape York Partnerships website (Available at www.capecyorkpartnerships.com.FIM/index.htm Accessed on 16 October 2007).

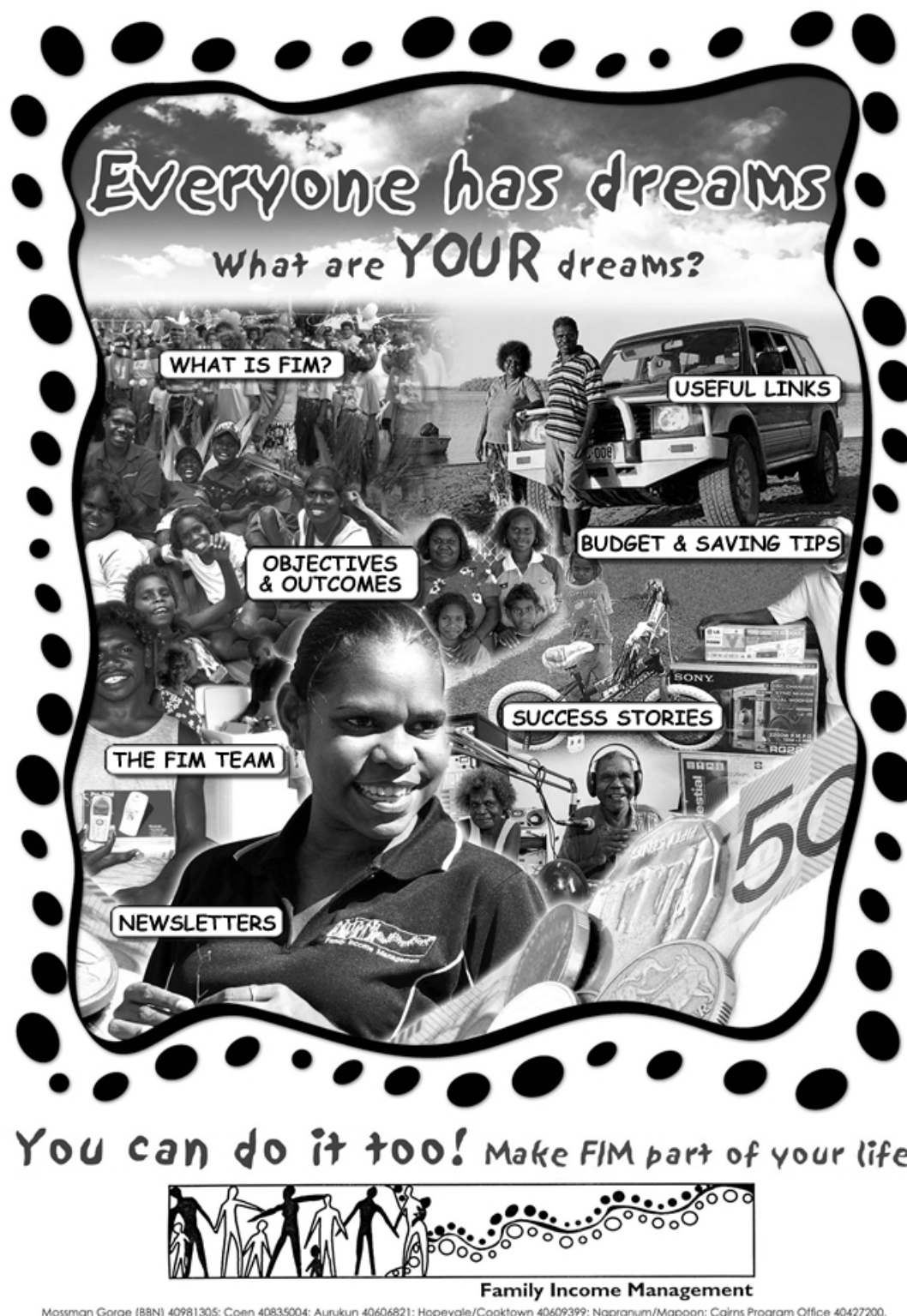
³¹ However, it was originally registered as Cape York Leasing Pty Ltd with the Australian Securities and Investments Commission in 1995 (ASIC, 'Cape York Partnerships Projects Pty Ltd', Available at: <http://search.asic.gov.au/cgi-bin/gns030c> Accessed on 14 March 2007).

³² Cape York Partnerships, Available at www.capecyorkpartnerships.com/operations/index.htm Accessed on 20 November 2007.

³³ *ibid.*

³⁴ *ibid.*

Figure 3.1 Cape York Partnership's website home page for FIM



3.1 What is Family Income Management (FIM)?

FIM is a money management system specially designed to meet the particular needs of Indigenous families in Cape York seeking to manage their incomes to achieve their goals in a remote environment.

(a) History of FIM

FIM came about following several years of discussion and development by Cape York people. It is one of a number of linked initiatives being undertaken in the Cape to address the critical needs and issues facing the people of Cape York.

The Federal government first became interested in the concept of Family Income Management following the publication by Mr Noel Pearson of Our Right to Take Responsibility. This book describes the harmful effects passive welfare dependency is having on our people, and the urgency of breaking the welfare cycle and engaging in the real economy, working in real jobs for real money.

The government's response to this book was to begin new relationships between the government and the Indigenous people of Cape York as equal partners in a process now known as Cape York Partnerships. Features of the new Partnership relationship are a sharing of responsibility and accountability for results and process; agreeing on programs and actions through negotiations between government and Indigenous people as partners in Negotiation Tables, and the commitment of all parties to sustained action with a common direction supported by co-ordination, co-operation and a common purpose.

FIM is a money management system specially designed to meet the particular needs of Indigenous families seeking to manage their incomes to achieve their goals. FIM offers an alternative practical solution to the barriers experienced by many Indigenous people in accessing mainstream financial and banking services. The FIM service reflects the learning's gained from the experiences of the people in the communities of Aurukun, Coen and Mossman Gorge, the Cape York communities which first trailed FIM from June 2002 to July 2004. The project has since expanded to Hopevale, Cooktown and Weipa, which takes in Napranum and Mapoon. From 2002 FIM was funded by the Commonwealth Department of Family and Community Services. FIM has been supported from the outset by the Westpac Banking Corporation through their secondee program which commenced in November 2001 under the Indigenous Enterprise Partnerships (IEP) program. A key feature of FIM has been working intensively with families and households to develop a household budget, commence direct deductions of each individual's contributions to household bills, food buying accounts, personal and group savings accounts.

3.2 FIM Objectives and Outcomes

Taking the Fear Out of Money for Cape York Indigenous Communities.

Mr Wayne Beale, FIM Project Manager

(a) Objectives

- *Develop the capacity of families and individuals to effectively manage income to achieve improved living standards;*
- *Engage interested family groups in income management processes, assist participants to identify and discharge responsibilities to each other and to their communities;*
- *Investigate and develop group purchasing arrangements to source and provide access to quality, affordable household goods and services and small business plant and equipment, including transport and communications; and*
- *Provide information and recommendations to Federal and State Government bodies and other relevant organisations to assist in improving service delivery in remote Aboriginal communities and relevant to replicating the project elsewhere if it proves successful.*

(b) Outcomes

- *Participant debt situations are stabilised and living costs covered better through implementing budget plans via the FIM system.*
- *Spending on food has increased while spending on alcohol or gambling has decreased.*
- *Many people have been helped to access correct Centrelink entitlements.*
- *Stopped frequent power and phone disconnections and reconnection fees.*
- *Reduced bill-paying costs (people were paying up to \$20 a time to 'wire' money to third parties, or buying money orders – now use Bpay or internet via FIM Office)*
- *Scores of beds, mattresses, fridges, freezers and washing machines have been purchased from savings, which, together with establishment of nutrition and pharmacy accounts (including negotiating cashless payment systems with local retailers and pharmacist) are contributing to better physical health.*
- *Many leisure goods purchased (TVs, DVDs, CD players), which, together with new furniture purchased, are contributing to families spending more time together at home.*
- *Some families have purchased cars and boats enabling them to take families out bush and to go fishing.*
- *Effective debt management assistance and negotiation with the several Cape store owners has stopped spiralling 'book-up' debts.*
- *Old people report feeling safer as being in FIM is now an acceptable excuse to avoid being 'humbled'.*
- *Many participants report reduction in stress and conflict [as well as] increased feelings of control over their lives, contributing to better mental health and well-being.*

- *Many young people are contributing to household expenses for the first time, plus saving for and buying their own leisure goods – some young couples are also saving to move into own home.*
- *CDEP workers, managers and employers such as Comalco report better motivation to work as they can see material benefits from doing so. Others report increased motivation to engage in training or further study for better jobs.*
- *Teachers report children of FIM participants now come to school properly fed, having had a good night's sleep, and with lunches. Attendance rates are also improving.*
- *Some FIM participants have been referred to business hubs (and vice versa) where they have been assisted to access loans for small business start-ups, using FIM to ensure automatic repayments.*
- *Some FIM participants in Mossman have been helped to migrate to using bank accounts.*
- *Although coping with visitors and unexpected crises can still throw budgets out, participants are more likely to have food stocks or savings to draw upon than before joining FIM.*
- *There is a general change in orientation from daily survival and 'getting by', to planning for the future and 'getting ahead'.*
- *In Hopevale, a family is putting aside money each week to save a deposit to build a home on traditional land to assist them to further develop an already successful tourism venture.*
- *A mother & her adult son in Aurukun took out a joint NAB personal loan for \$6000 to buy furniture for their two houses last November [in 2005]. Early September 2006 they made their last payment and closed the account. The mother made her payments from her Centrelink money & the son from his CDEP wage. They paid off the loan in less than one year.*

3.3 FIM Success Stories

FIM senior consultant, Roberta Henning, leads by example! Robbie and her family moved into a brand new four bedroom house in Mossman. Robbie learned how to better manage her money through FIM and she now owns her home. Other participants save money for House openings and tombstones for their loved ones.

Figure 3.2 Photographs from Cape York Partnership's FIM website



Aurukun Tombstone Opening



*Goals for many of our
Indigenous people in
the Cape may be
Owning your own
Home to putting a
tombstone on a loved
ones grave or even a
fridge to put the
groceries in each week*

Scores of beds, mattresses, fridges, freezers and washing machines have been purchased from savings, which, together with establishment of nutrition and pharmacy accounts (including negotiating cashless payment systems with local retailers and pharmacist) are contributing to better physical health.

Figure 3.3 Photographs from Cape York Partnership's FIM website



*A
Lot of the
Community
Members
are
Now able
To purchase
A range of
Whitegoods*

Another aspect of saving through FIM is the increasing amount of vehicles that are being purchased. Transport is important in the Cape communities not only for transport for work it also gets them to Cairns to purchase food and clothing at discount prices. Money is saved in FIM accounts and participants either buy there car outright or use the money for a deposit. They are also thinking long term about maintenance, registration and insurance. You might say that the car represents a sense of freedom.

Figure 3.4 Photographs from Cape York Partnership's FIM website



*FIM Has Helped
Participants
To Save
For Cars
And Opened
Accounts for Extra
Money
To help
Maintain
Vehicles*

The biggest success for FIM sites and the Participants is the amount of DEBT that has been paid off in the past four years. The greatest philosophy in each site is that you can't save if you have debt hanging over your head. In each site FIM workers conduct initial interviews, in these interviews participants are encouraged to divulge debts that have been haunting them. The FIM team will then help the participant to construct a budget that will include all debts.

There have been many success stories-

Just one fantastic good news story is a mother and adult son took out a personal loan for \$6000 in November of last year to furnish both of their houses. They have been paying the loan each from their Centrelink and CDEP money regularly and have cleared the loan in under a year – nice work!

There has been a range of Debt over the years to many different services these include-

- *Rent Arrears to various housing bodies*
- *Ergon Energy Bills*
- *Debt Collectors for Personal Finance*
- *Phone bills with several different phone companies*
- *Shop Bills at the local stores*
- *Bank Loans*
- *School Fees these include boarding schools*

The story above is a recent one and I am happy to say that apart from people receiving finance and paying it off through their FIM account. Debts seem to be a thing of the past.

Participants through the FIM program are starting to learn about controlling their debts and the feeling of hopelessness is no longer an excuse, with FIM and families. The biggest support of the FIM process is from those that are in the program and are now saving and getting their lives on track.

Finding 3

Cape York Partnerships, which lists the Family Income Management (FIM) program as one of a number of community development projects that it has '*project-managed ... to successful outcomes*', details a range of significant successful outcomes for the program.

Reported successes of FIM include:

- *Participant debt situations are stabilised and living costs covered better through implementing budget plans via the FIM system.*
- *Spending on food has increased while spending on alcohol or gambling has decreased.*

- *Many people have been helped to access correct Centrelink entitlements.*
- *Stopped frequent power and phone disconnections and reconnection fees.*
- *Reduced bill-paying costs (people were paying up to \$20 a time to 'wire' money to third parties, or buying money orders – now use Bpay or internet via FIM Office).*
- *Scores of beds, mattresses, fridges, freezers and washing machines have been purchased from savings, which, together with establishment of nutrition and pharmacy accounts (including negotiating cashless payment systems with local retailers and pharmacist) are contributing to better physical health.*
- *Many leisure goods purchased (TVs, DVDs, CD players), which, together with new furniture purchased, are contributing to families spending more time together at home.*
- *Some families have purchased cars and boats enabling them to take families out bush and to go fishing.*
- *Effective debt management assistance and negotiation with the several Cape store owners has stopped spiralling 'book-up' debts.*
- *Old people report feeling safer as being in FIM is now an acceptable excuse to avoid being 'humbled'.*
- *Many participants report reduction in stress and conflict [as well as] increased feelings of control over their lives, contributing to better mental health and well-being.*

CHAPTER 4 ASSESSING THE FAMILY INCOME MANAGEMENT PROGRAM

In accordance with the Committee's terms of reference for the current Inquiry, the Committee is to pay particular attention to the costs and benefits, and to the model utilised for the development and delivery, of the successful initiative. The previous chapter set out the benefits of FIM, as promoted by the program's *'project manager'*, Cape York Partnerships.

In this chapter the Committee examines other evidence of the success of FIM. Most crucially, from the Committee's perspective, are the views of those community members and community workers involved in the implementation of the FIM initiative in Cape York. Those views were provided in November 2006, during informal discussions, while the Committee visited Cape York communities and also were expressed at the Cape York Indigenous Regional Organisations Conference.

The evaluation of the FIM program by community members and workers, outlined in Chapter 4.1, is supplemented by the assessment of the key funding agency, the Department of Families, Community Services and Indigenous Affairs (FaCSIA). The Committee goes on to also examine the costs of the initiative and the model used for the development and implementation of FIM.

The chapter concludes with a brief account of two issues identified as limiting FIM's capacity to deliver successful outcomes to Indigenous people: Indigenous poverty and, more contentiously, the voluntary nature of the program.

4.1 In the communities

While in Cape York in November 2006, the Committee had the opportunity to attend presentations and have discussions with various community members and community workers in Cape York. In this section of the Report, the Committee recounts the information that it received through informal discussions in the communities of Mossman Gorge and Coen, and at the Cape York Indigenous Regional Organisations Conference.

The Committee was informed, at the time, that FIM had been operating for five years and ranged from being a debt reduction program to assisting people to buy goods. The Committee was told that FIM was about developing capacity - with a focus on accessing mainstream financial and banking services.

As an overview, the assessment was that the program operated best in Mossman Gorge, Coen and Aurukun, the sites at which FIM had been operating longest. The scheme also operated at Weipa (servicing Mapoon and Napranum), Hope Vale and most recently at Cooktown.

(a) Mossman Gorge (Bamanga Bubu Ngadimunku)

The Mossman Gorge community is located four kilometres west of the town of Mossman and is located on community land that is held as a combination of freehold and Aboriginal Reserve by the Queensland Government, and is managed by Bamanga Bubu Ngadimunku Inc. (BBN).

Bamanga Bubu Ngadimunku Inc. was the trial site host for FIM in Mossman Gorge and its Council operated a general ledger which was used to pay community members' accounts. Community members had also been educated through FIM so that they could access banking services by the internet. The intention was for people to become independent so that they could access financial services without assistance.

Community workers were aware, however, that Indigenous people found it difficult to go into the local bank. FIM workers would go with them to assist in completing forms and other processes with which community members were unfamiliar. The FIM workers provided support and advice, but believed that educating in internet banking was a less intimidating means for accessing banking services, as some Indigenous people felt discriminated against. There was now one older woman, with English as her sixth language, who accessed internet banking.

One of the major areas in which FIM had been successful in Mossman Gorge was arranging discounts on the basis of group purchasing deals. These were in place with a number of local goods and services providers and also with providers from Cairns. In one instance a discount of 20 per cent on purchases, which covered the cost of transporting goods to the community, was agreed.

It was also noted that although currently operating well in Mossman Gorge, when the program was first introduced it had almost collapsed after six months. The '*lesson*' learnt from this was that '*there needs to be engagement with community and that the community sets the rules*'.

(b) Coen (Coen Regional Aboriginal Corporation)

In Coen, the FIM program was run with the assistance of the local Coen Regional Aboriginal Corporation (CRAC). CRAC, which was incorporated 1993, provides services to the Indigenous community including the Homelands and townspeople. There is an elected Board of Directors which includes Indigenous elders.

CRAC administers the Community Development Employment Program (CDEP) and is the major employer of casual labour, besides generating employment and training through its business enterprises. It initiated and supports a number of projects and enterprises in the town. At the time the Committee visited Coen, the CRAC website listed its community projects as including:

1. Housing. The State began to construct dwellings in 1975, enabling Indigenous people to slowly move away from the Reserve and into Town. But with a growing and mobile population, and an extended family lifestyle, there is still overcrowding. CRAC has been active in trying to correct this through ATSIC-funded programs using its own Building Team.

2. Outstation Development and Services is a major part of CRAC's activities.

3. Art, Craft and Culture are fostered through the Wunthulpu Arts Centre and the Cultural Centre (Visitor Centre), the latter developed with assistance from the National Heritage Trust.

4. Sports and Recreation is aimed mainly at children, both in school and after school, employing a local person part-time. There is considerable interest in both Australian Rules and Rugby football.

5. Home and Community Care (HACC) is funded by the Federal and State Governments but auspiced by CRAC. It caters for elderly and infirm persons needing meals, washing and bathing, and other household assistance. It employs 3 local women.

6. Family Income Management is a recent initiative (open to voluntary participation) seeking to educate and encourage families in rational money management, to ensure that essentials can be paid for, and to set goals for savings. It was initiated by Cape York Partnerships and sponsored by the Commonwealth Department of Family and Community Services and Westpac Banking Corporation.

7. Women's Issues and Indigenous Women's Initiatives are related to community ("family") violence and the need for protection, as well as sexual health.

8. The Community Justice Group (CJG) is a Child and Family Support Service, and a recognised Child Protection Agency. The CJG is empowered by legislation to decide on alternative "punishment" for some offences (often repeat offences) which would otherwise attract a prison sentence. These are frequently related to alcohol abuse. The "sentence" could be an enforced stay out of town and away from alcohol on one of the Homelands.

The Committee was informed that FIM was achieving a great deal in Coen. It was enabling:

- people to identify targets for saving;
- a reduction in power disconnections;³⁵ and
- a reduction in housing evictions housing.³⁶

³⁵ Power was run on diesel in Coen.

³⁶ CRAC managed public housing for Indigenous people in Coen.

Figure 4.1 FIM information sheet - Coen

FIM HELPED OUR MOB SAVE MONEY FOR:

- Food for my family
- A new car
- Taking care of family and culture
- Household goods
- Family Bills
- Getting ahead
- A Stereo and VCR
- Uniforms and books for our kids' education

No more money worries!!

Learn from the past, live in the present, plan for the future

NOT SURE IF YOU NEED FIM?

If you answer 'Yes' to any of the following, you should make FIM a part of yours and your family's life:

- ☐ Don't know how to manage bills?
- ☐ Receive letters from debt collectors?
- ☐ Pay too many bank fees?
- ☐ Never seem to have enough money?
- ☐ Have to go without too often?
- ☐ Want to save for something you need?
- ☐ Have a dream you don't think you can afford?

If you need help with your money, visit the FIM office.

Everyone has dreams

Make YOUR dreams come true with Family Income Management (FIM)

FIM helps you take control of YOUR money so YOU can achieve your dreams

WHAT IS FIM?

FIM is about learning how to get your money to work better for you and your family so you can achieve your dreams.

FIM HELPS YOU TO:

- Make your pay last to the end of the week
- Afford basic things like food, clothing and medicine
- Pay for your power and phone bills
- Work with your family to use your money better
- Save for the dreams you want to come true

WHAT ARE YOUR DREAMS?

YOU can do anything if you and your family work together to save your money. Money and bills can be a big worry. FIM takes away the stress by helping you set budgets and manage your money better. It's simple to set up for you and your family. FIM will help you work out what's best for you and how to make sure your savings keep growing.

GET ORGANISED SO YOU CAN GET AHEAD

YOUR money.
YOUR responsibility
YOUR dreams.
YOUR future.

THE FIM STEPS

- Work together
- Get your mob organised
- Everyone can contribute
- Savings will build faster
- Know what you want to achieve
- Watch your money grow
- Put money away for your bills
- Set up a savings account
- Manage your accounts
- FIM will help you set up the best bank accounts for your needs
- With Internet and phone banking, you can keep track of your money
- Stay focused
- Small steps add up
- Celebrate your achievements
- Never lose sight of your goals

"Without FIM, I would not have the respect from my children that I now have."
Felix Creek, Coen

Refrigerator Freezer

"We Aboriginal People have to take responsibility for ourselves and our own dreams. It's up to us to help ourselves."
Mavis Ngallametta, respected Aurukun Artist/Basket Weaver

You can make your dreams come true!

The Committee was also informed that the FIM project had been rejected initially at Coen, as elsewhere. People were very suspicious and viewed it as similar to having to go to the '*Native Protector*' to get permission for everything they wanted to purchase. The original proposal had been for the FIM workers to have total control over a person's income. This had been rejected by the community. The money in FIM now remained under individuals' own control and participation in the scheme was voluntary.

The Committee was also told that, in the end, what had made the difference in the acceptance of FIM was that it was implemented by people who were known and trusted by the community. The FIM manager had worked for some years in Coen and then come back and as a result she had established a strong relationship with local Indigenous people.

There were concerns expressed, however, that in some instances income was being '*handed over*' and FIM staff were simply managing the payments on community members' behalf. This was not increasing the capacities of local people. The system was changing more to one of on-line banking, and as a result it had more emphasis on people managing their income for themselves. At the same time, there was a '*FIM account*' that individuals could not access without the approval of FIM workers. This was to stop people being put under pressure. The old FIM was being phased out (as it seemed that FIM workers managed people's money for them) but a number of older people would continue with that scheme.

There was also money being put into '*Junior FIM accounts*', for education expenses, and with access available only subject to FIM worker approval. These funds were held by a trust managed by an independent company and it was thought the administration costs were covered by the interest.

Finding 4

The views expressed to the Committee by community members and community workers who were involved with the Family Income Management (FIM) program indicated that the initiative was achieving very positive outcomes in the remote communities of Cape York.

4.2 Assessment by the Department of Families, Community Services and Indigenous Affairs³⁷

The Commonwealth Department of Families, Community Services and Indigenous Affairs (FaCSIA) is the primary funding body for the FIM program. The Committee sought information from FaCSIA in March 2007. Dr Jeff Harmer, the Secretary of the Department, responded on 20 April 2007.

³⁷ This section draws on correspondence from Dr Jeff Harmer, Secretary, FaCSIA, dated 30 April 2007.

Dr Harmer described the program as being ‘*based on a commitment to providing a tailored service to meet the diverse needs of clients, through “hands on” support*’. At that time, FIM was operating in eight Cape York communities: Mossman Gorge, Weipa (servicing Napranum and Mapoon), Aurukun, Coen, Hopevale and Cooktown. Dr Harmer advised that about 700 people were participating in the FIM program.

Finding 5

The Family Income Management (FIM) program currently is operating in eight remote sites in Cape York, with approximately 700 people participating in the program.

A key difference between FIM and the MoneyBusiness program (described in Chapter 5.2), as identified by Dr Harmer, was that FIM utilised a customised banking product containing linked accounts:

whereas MoneyBusiness clients receive information and support to enable them to choose between banking products.

Finding 6

Unlike other income management programs for Indigenous people, the Family Income Management (FIM) program uses a customised banking product containing linked accounts rather than simply providing information and support to enable Indigenous people to choose between existing banking products.

The participant experience of FIM was described by Dr Harmer as follows:

Can be ‘in FIM’, meaning use of banking model to provide automatic deductions at source to pay needs, in accordance with agreed budget and goals. FIM worker can act as ‘gate-keeper’ to access savings. Cash carried is minimised. Banking model uses tailored Westpac banking product, with internet access to banking services.

Dr Harmer further advised that:

A review of the FIM program showed that it had been successful in improving overall management of finances for clients. It enabled clients to budget effectively for significant purchases and future needs, including the education of children. It supported fairer contributions from household members, to meet household expenses. It also had an indirect effect on overall physical and emotional health and well-being in communities, and reductions in drinking and gambling, court appearances and imprisonment and utility disconnections.

Finding 7

The Commonwealth Department of Families, Community Services and Indigenous Affairs (FaCSIA), as the primary funding body for the Family Income Management (FIM) program, has assessed the program as being:

successful in improving overall management of finances for clients. It enabled clients to budget effectively for significant purchases and future needs, including the education of children. It supported fairer contributions from household members, to meet household expenses. It also had an indirect effect on overall physical and emotional health and well-being in communities, and reductions in drinking and gambling, court appearances and imprisonment and utility disconnections.

4.3 A successful initiative?

On the basis of the material available to the Committee from Cape York Partnerships (Chapter 3), FaCSIA, and most critically those community members and workers it met while travelling in Cape York, the Committee is satisfied that the Family Income Management program is a successful initiative. It has assisted Indigenous people in remote communities in Cape York to achieve their goals, to understand and access services available to others, and to exercise more control over their lives.

Finding 8

The Family Income Management (FIM) program is a successful initiative because it has assisted Indigenous people in remote communities in Cape York to achieve their goals, to understand and access services available to others, and to exercise more control over their lives.

4.4 The cost of FIM**(a) Commonwealth funding**

At the time the Committee travelled to Cape York, in November 2006, the Committee was informed that Cape York Partnerships was the funding host for the program and had received \$7.5 million in five years from FaCSIA.

The Commonwealth government financial commitment of \$7.5 million over the first five years of FIM's operation has more recently been supplemented by a commitment in the 2006 budget of

\$6.094 million over four years, with an additional \$1.485 million for *Improved Family Payments Outcomes*³⁸ at FIM sites.³⁹

It is evident that the FIM program receives considerable financial support from the Commonwealth government, and in particular receives more funding than other financial management programs such as MoneyBusiness (discussed in more detail in Chapter 5.2), which was allocated only \$4.4 million over four years from 2004, with \$1.344 million for *Improved Family Payments Outcomes* in MoneyBusiness sites.

Finding 9

The Family Income Management (FIM) program has been supported by Commonwealth funding of approximately \$9 million over six years.

(b) Corporate support

Indigenous Enterprise Partnerships, a Melbourne-based not-for-profit organisation which describes itself as channelling *‘corporate and philanthropic resources into Indigenous development’*, had initially identified Westpac to help in FIM trials.

FaCSIA advise that Westpac does not provide funding directly to Cape York Partnerships.⁴⁰ The Committee was told that it does, however, add significant support to FIM by seconding skilled employees four times a year, for a duration of four weeks, to work at the trial sites. In total Westpac had contributed 260 secondees, for a month at a time, to the project and the costs associated with the travel alone was \$1.3 million. It also accrued additional costs associated with the vacancies which arose as a result of the secondment program, and moreover a number of secondees had elected to remain with the FIM program instead of returning to work with Westpac. In addition, a number of senior managers from Westpac were made available on a long-term basis to manage the FIM project.

At the time of the Committee’s travel to Cape York, the Cape York Partnership’s website reported that Westpac had also contributed accelerated documentation and system disciplines, accounting coordination, evaluation model, resources and FIM engagement at community level.

³⁸ This appears to be a reference to family payments training packages which are to be developed and delivered by specialised support workers in communities with income management programs, and *‘will encourage families to use their payments for the wellbeing of their children’* (Commonwealth Minister for Families, Community Services and Indigenous Affairs, ‘Budget 2006 Indigenous Affairs, Strengthening Indigenous Communities, Families, Community Services and Indigenous Affairs, Extending Family Income Management and improving family payment outcomes for Indigenous children’ [undated]).

³⁹ Dr Jeff Harmer, Secretary, FaCSIA, letter, 30 April 2007.

⁴⁰ *ibid.*

The website further reported that there was a FIM Steering Group, which included Cape York Partnerships, trial site hosts, Balkanu, Centrelink, Westpac and ATSIC. There were also local reference groups at each trial site.

The Committee was advised by a secondee from Westpac that the intensity of the assistance offered by Westpac made the FIM program very expensive and unlikely to be matched by corporate sponsors of alternative programs.

Finding 10

The Family Income Management (FIM) program receives considerable additional corporate support, through:

- Indigenous Enterprise Partnerships, a Melbourne-based not-for-profit organisation which describes itself as channelling '*corporate and philanthropic resources into Indigenous development*', which initially identified Westpac to help in FIM trials;
- Westpac which second its skilled employees to the FIM program four times a year, for a duration of four weeks, to work at the trial sites. It also provides expertise in accelerated documentation and system disciplines, accounting coordination, evaluation model, resources and FIM engagement at community level; and
- various organisations' representation on the FIM Steering Committee and local reference groups.

(c) Community Development Employment Projects (CDEP)

At the time of its travels to Cape York, the Committee was advised that the '*FIM team*' consisted of 30 people in total, of whom 63 per cent were Indigenous and 81 per cent were local to the trial sites. A number of the Indigenous FIM staff were employed through the Commonwealth's Community Development Employment Projects (CDEP) funding. As such the costs for these employees would not be included in the FIM budget. Moreover, because CDEP employees do not receive the wages they would be entitled to if they were employed outside of the CDEP program, they also partially subsidise the FIM program.⁴¹

⁴¹ Although CDEP has been removed from a number of Indigenous communities, it apparently continues to be available to the Cape York communities participating in the '*Cape York Agenda*' projects. Professor Jon Altman of the Centre for Aboriginal Economic Policy Research advised in July 2007 that '*there was no suggestion*' that 832 CDEP positions held by four communities participating in the Cape York Welfare Reform project would be removed (ABC News, 'Opinion - Scrapping CDEP is just plain dumb', Available at: www.abc.net.au/news/stories/2007/07/26/1988592.htm Accessed on 27 July 2007).

Finding 11

The majority of employees working on the Family Income Management (FIM) project were Indigenous, and a number were employed using Commonwealth Community Development Employment Projects (CDEP) funding.

The costs for these employees therefore are not covered by the FIM budget.

Moreover, CDEP employees voluntarily contribute part of the value of their work to the FIM program as they do not receive the wages they would be entitled to if they were employed other than through CDEP.

(d) The true cost of FIM

The true cost of the FIM program could only be identified if it were possible to quantify the value of the substantial additional resources provided by way of its utilisation of CDEP workers, Westpac secondees and expertise, and other corporate contributions. Although the estimated cost of these additional inputs is not available, the Committee is satisfied that the FIM program has been a relatively costly program to develop and implement.

Finding 12

The estimated cost of the substantial additional resources provided to the Family Income Management (FIM) program by way of its utilisation of Community Development Employment Projects (CDEP) workers, Westpac secondees and expertise, and other corporate contributions is not available.

However, the Committee is satisfied that FIM has been a relatively costly program to develop and implement.

4.5 A model for development and implementation

As part of its terms of reference the Committee is also required to pay particular attention to the model used for the development and implementation of FIM.

Key factors associated with the development and implementation of FIM were identified during Committee discussions with community members and community workers which were attributed to FIM's success.

(a) A new ‘Native Protector’?

As indicated, the Committee was advised that there were initially concerns in the Indigenous communities of Cape York about apparent similarities between FIM and the financial arrangements implemented during the era of the ‘Native Protectors’. These, however, had been addressed as a result of two key factors associated with the development and implementation of FIM.

First, the reform of the FIM program to address community concerns was seen as critical. FIM, as it was originally envisaged, was intended to have all of a participant’s income subject to control by FIM workers. The Committee was told that it was because the program was modified in response to the communities’ concerns, enabling people to continue to control the monies allocated to various accounts (other than the ‘FIM account’), that FIM had proven successful over time.

Another factor contributing to the success of FIM was the longevity of key non-local staff members at the trial. This was rated as being enormously important as it created trust. The Committee was told that it was this trust which also distinguished FIM from the financial arrangements implemented by the Native Protectors; in that FIM was implemented by people who were known and trusted by the community.

(b) Key factors for success

It appeared to the Committee, as a result of its discussions with community members and workers in Cape York, that key factors which contributed to the success of the FIM initiative were:

- the modification of the program in response to the communities’ concerns;
- the recognition of people’s capacity and aspiration to exercise autonomy over their income; and
- the implementation of the initiative by people who were known and trusted by the community.

Finding 13

Key factors identified by community members and workers which contributed to the success of the Family Income Management (FIM) initiative were:

- the modification of the program in response to the communities' concerns;
- the recognition of people's capacity and aspiration to exercise autonomy over their income; and
- the implementation of the initiative by people who were known and trusted by the community.

The Committee notes the similarities between these factors and the principles identified in the Commonwealth government's Financial Literacy Foundation's *Understanding Money - Good practice in developing financial literacy initiatives with Indigenous Australians*. The booklet was intended to be:

*a resource for people who develop and deliver financial literacy initiatives with Indigenous Australians.*⁴²

The Foundation identified five good practice principles that would improve organisations' 'capacity to meet the needs of Indigenous peoples and the effectiveness of financial literacy programs and resources'. Those principles are:

1. *Build trusting relationships and work together with Indigenous Australians;*
2. *Understand Indigenous cultures and the local environment;*
3. *Develop effective delivery methods;*
4. *Develop a working knowledge of appropriate points of referral; and*
5. *Evaluate your initiative and share what you have learnt.*⁴³

In relation to the first of these principles, the Foundation assessed Indigenous project ownership as vital and stated that involving the community and working with local people and organisations which have a close relationship with the Indigenous community was essential if initiatives were to achieve the desired outcomes. In implementing this principle, organisations are advised to:

⁴² Financial Literacy Foundation, *Understanding Money - Good practice in developing financial literacy initiatives with Indigenous Australians*, 2007, Commonwealth, p 2.

⁴³ *ibid.*, p 3.

*Listen to Indigenous people within the community and work out a way forward together.*⁴⁴

Finding 14

The first of five good practice principles identified by the Foundation for Financial Literacy that would improve organisations' *'capacity to meet the needs of Indigenous peoples and the effectiveness of financial literacy programs and resources'* is to:

Build trusting relationships and work together with Indigenous Australians.

In relation to that principle, the Foundation assessed Indigenous project ownership as vital and advised organisations to:

Listen to Indigenous people within the community and work out a way forward together.

The Committee agrees with the Financial Literacy Foundation's assessment of the need to be responsive to community expectations and for there to be close relationships with those involved in the implementation of the program. The Committee believes that these were critical factors in the success of the FIM initiative.

Finding 15

The Committee agrees with the Financial Literacy Foundation's assessment of the need to be responsive to community expectations and for there to be close relationships with those involved in the implementation of the program.

The Committee believes that these were critical factors in the success of the Family Income Management (FIM) initiative in the remote Indigenous communities of Cape York.

This is not a novel insight. For example, just recently, the results of a two year study of the effectiveness of alcohol restrictions in Indigenous communities by the National Drug Research Institute (NDRI) were released. On the launch of the report of the study findings, the NDRI Australian research Team Leader, Professor Dennis Gray stated that:

*The evidence shows that alcohol restrictions are more likely to reduce alcohol-related problems when there is significant community support for them and when their imposition is genuinely negotiated with communities.*⁴⁵

⁴⁴ Financial Literacy Foundation, *Understanding Money - Good practice in developing financial literacy initiatives with Indigenous Australians*, 2007, Commonwealth, p 4.

The issue of control over income is a critical one, as the Chairman of the Financial Literacy Foundation identified:

I agree with the saying that 'money does not make you happy', but being in control of your money gives more choice over how you live your life, and the choices you make about health, housing, education and leisure time.

It's really important that Indigenous Australian get the chance to learn about money management in a way where they share ownership of the process and come up with approaches that work best for them.⁴⁶

Finding 16

The issue of control over income is a critical one, as the Chairman of the Financial Literacy Foundation identified:

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It's really important that Indigenous Australian get the chance to learn about money management in a way where they share ownership of the process and come up with approaches that work best for them.

The significance of the involvement of Indigenous communities in developing financial management programs in particular cannot be overstated in the context of the prior policies relating to the role of 'Native Protectors' as outlined in Chapter 2. It does not surprise the Committee that, in this context, the outcome of community input into the development and implementation of the FIM initiative was that individuals retain more control over their income than had been originally proposed.

⁴⁵ National Drug Research Institute and Curtin University of Technology, Joint Media Release, 'Alcohol restrictions in Indigenous communities work, but only when they are negotiated with community', 18 October 2007.

⁴⁶ Financial Literacy Foundation, *Understanding Money - Good practice in developing financial literacy initiatives with Indigenous Australians*, 2007, Commonwealth, p 2.

Finding 17

It does not surprise the Committee that, given the historical context of Indigenous people being subjected to the regime of *'Native Protectors'*, the outcome of community input into the development and implementation of the Family Income Management (FIM) program was that individuals were able to retain more control over their income than had originally been proposed.

4.6 Limitations of FIM

For the reasons outlined in the preceding sections of this chapter, the Committee regards the FIM initiative as a successful one. Committee discussions with various community members and community workers involved in the implementation of FIM, however, indicated that the FIM program was limited in its capacity to deliver successful outcomes to Indigenous people by Indigenous poverty, and more contentiously, by it only being available on a voluntary basis.

(a) Poverty

The Committee was told that a problem with FIM was that people earned only \$216 per week on welfare. Food on its own is \$50 a week per person. This was simply not sufficient to live and pay expenses. Children and adults would go hungry as, regardless of budgeting, at times there was *'simply not enough money'*.

The Committee was told that the only solution to the extent of poverty was if community members worked with others, pooling their income.

Finding 18

The economic poverty experienced by many Indigenous participants in the Family Income Management (FIM) program limited the capacity of the program to assist participants to *'live and pay expenses'* and at times, children and adults continued to go hungry.

The Committee was advised that the only solution to the extent of poverty was for Indigenous community members to work with others, pooling their income.

(b) Assisting those most in need

The Committee was told that in one community, elders would, for example, order young people who were drugged or *'acting up'*, to outstations and to place all their income into FIM. The elders did not have the legal power to do this, but although it was based on *'bluff'* it was a very effective

means of control. This example highlights a limitation of FIM as it operated at the time of the Committee's travel to Cape York, and was consistent with a broader issue identified by Cape York Partnerships as restricting the potential of the existing FIM program to assist those most in need.

The Committee was told by a Cape York Partnerships representative that FIM tended to be taken up by *'functioning'* people, and that these people had been able to take advantage of the opportunity it provided with outstanding outcomes. However, as it was a voluntary program, the take up in the community varied. While it could assist families to plan and to share the burden of bills, it seemed that there were generic expenses associated with households, such as: electricity; rent; education; and food, that only one or two household members would pay for, while others contributed nothing.

Finding 19

At the time of the Committee's travel to Cape York, in November 2006, Cape York Partnerships identified the purely voluntary nature of the Family Income Management (FIM) program as limiting the potential of the existing program to assist those most in need.

The Committee was told that FIM was intended to ensure that all adult family members contributed to household basic costs, but there were able-bodied people who were *'just partying and not taking responsibility'*. FIM was originally designed to make these individuals *'do the right thing'* with consequences if they did not.

From the discussions with the Committee during its travel to Cape York, it appeared that Cape York Partnerships intended to modify the FIM program so that, in conjunction with the Welfare Reform agenda, it would revert to the original model proposed and provide for the mandatory control of people's income so that *'something would be done with the flow of money to address substance abuse'*. Significantly, this appeared to be contrary to the reforms which had been insisted on by communities.

Finding 20

In November 2006, Cape York Partnerships intended to make changes to the Family Income Management (FIM) program so that, in conjunction with the Welfare Reform agenda, it would revert to the original model proposed. That is, to a program providing for the mandatory control of people's income so that *'something would be done with the flow of money to address substance abuse'*.

Significantly, this appeared to be contrary to the reforms which had been insisted on by communities.

The intention of Cape York Partnerships was that the community, rather than individuals, could make decisions about behaviour and obligations, and link these to individuals' access to their welfare income. Cape York Partnerships intended that FIM would be maintained as a voluntary program, but that it also would be available on an involuntary basis for persons who consistently did *'the wrong thing'*. The overriding goal was described as being that the primary needs of the household, such as food, rent and school expenses, would have to be met, although there would be allowance made for funds to be discretionary once those commitments were met. Given the previous discussion on the issue of poverty amongst Indigenous people (at Chapter 4.6(a)), however, the scope for there to be any discretionary funds above meeting the costs of basic necessities is unclear.

Finding 21

Cape York Partnerships intended that the Family Income Management (FIM) program would be maintained as a voluntary program, but that it would also be available on an involuntary basis for persons who consistently did *'the wrong thing'*.

For such persons, the primary needs of the household, such as food, rent and school expenses, would have to be met, although there would be allowance made for funds (if any) to be discretionary once those primary commitments were met.

It appears that Cape York Partnership's intentions to address the limitations it identified in relation to the voluntary FIM program in place at the time of the Committee's trip to Cape York were subsequently addressed through the piloting of *'Welfare Reform'* at four sites in Cape York. The implementation of the *'Welfare Reform'* is examined briefly next, in Chapter 5.1.

CHAPTER 5 OTHER INITIATIVES

5.1 Welfare Reform

In May 2007, the implementation of the Cape York Welfare Reform Project commenced in Hope Vale, in somewhat controversial circumstances.⁴⁷ A framework agreement was signed by the Commonwealth Minister for Indigenous Affairs, the Hope Vale Aboriginal Shire Council and the Cape York Institute for Policy and Leadership (CYI - of which Mr Pearson is Director⁴⁸). The agreement reportedly provided the Hope Vale community with an additional \$15 million, housing improvements and low interest loans for families to buy their own homes.⁴⁹

The Minister advised in a press release that as part of the agreement, the Council had purchased freehold land, known as 'Millers Block', adjacent to the town which the Commonwealth would develop and service for purchase by families through low cost loans.⁵⁰ The launch of the initiative was marked by reports of 'outrage' by traditional owners who had not been consulted about the agreement 'until the last minute'.⁵¹ Elders were reported as stating that, although the agreement was positive, the land earmarked for new homes in the community was a sacred site.⁵²

The CYI subsequently released the 'design recommendations' for its Cape York Welfare Reform Project in June 2007. The publication *From Hand Out to Hand Up* describes the project objectives as follows:

The Cape York Institute for Policy and Leadership (the Institute) is working in partnership with the Australian Government, the Queensland Government, and the Cape York Indigenous communities of Aurukun, Coen, Hope Vale and Mossman Gorge with the objective of achieving comprehensive welfare reform. The Cape York Welfare Reform Project aims to develop reformed incentives and appropriate enabling supports at the community level which catalyse the restoration of social norms in the Welfare Reform communities and ultimately in the whole Cape York region. The future that the Institute

⁴⁷ The agreement was reported as providing the Hope Vale community with an additional \$15 million, housing improvements and low interest loans for families to buy their own homes. It is of note that, because of the communal nature of land title in DOGIT communities, the option of private home ownership is not generally available to community members (Education and Health Standing Committee, Report No. 7, *Initiatives in the Remote Indigenous Communities of Cape York*, 2007, p 26).

⁴⁸ Mr Pearson signed the agreement on behalf of the CYI.

⁴⁹ ABC Online, 'AM - Pearson praises Hope Vale plan', 12 May 2007, Available at: www.abc.net.au/am/content/2007/s1921245.htm Accessed on 14 May 2007; ABC News Online, 'Hope Vale to sign welfare payments deal', 11 May 2007, Available at: www.abc.net.au/news/newsitem/200705/s1920114.htm Accessed on 11 May 2007.

⁵⁰ Commonwealth Minister for Families, Community Services and Indigenous Affairs, 'Bright Future for Hope Vale', 11 May 2007, Available at <http://www.atsia.gov.au/media/media07/110507hopevale.aspx> Accessed on 11 June 2007.

⁵¹ Karvelas, P, 'It's new deal or despair: Pearson', Weekend Australian, 12-13 May 2007, p7.

⁵² *ibid.*

envisages is one in which the people of Cape York Peninsula internalise a set of revitalised social norms, which mandate personal responsibility for work, education and the welfare of children, so that they become free from dependence on passive welfare and so that child neglect and abuse cease.

If the policies recommended by the Institute in this report are supported, then a trial should proceed in the four communities. The objective of the trial should be to test the policy principles described in this report. If the trial is successful, the policy principles may be used to inform policy across Cape York Peninsula and potentially in other regions.⁵³

In describing the Welfare Reform Project, CYI identified the objectives as including involving ‘community leaders in the design of changes and the decision making process’, and informing and soliciting ‘feedback from the wider community on the concepts and rationale of the changes ahead’.⁵⁴ As indicated previously, however, one of the problems identified by Cape York Partnerships in addressing the problems arising in Cape York communities was that programs, such as FIM, were voluntary and therefore were not able to be imposed upon individuals that were regarded by their communities as ‘dysfunctional’. The Welfare Reform Project significantly departs from the version of FIM which was implemented at the time of the Committee’s trip, as a voluntary program, to propose the incorporation of FIM as a mandatory and punitive mechanism.

A critical proposal of the Cape York Welfare Reform Project was the establishment of a Family Responsibilities Commission (FRC). The FRC could impose ‘sanctions’ on individuals who it determined breached specific obligations associated with welfare payments and concerning community values including child wellbeing:

A new statutory authority – the Family Responsibilities Commission (FRC) – should be established and empowered to make the determinations as to whether a breach of the obligations has occurred and determine the appropriate sanctions for a breach. The FRC should have four main options if it determines that an individual has breached his or her obligations:

- *Issue a warning to the individual.*
- *Direct individuals to attend support services on either a voluntary or compulsory basis.*
- *Determine that all or part of the welfare payments to which an individual is entitled should be redirected to conditional income management (which would result in the individual losing discretion over the expenditure of their welfare payments for a defined period).*

⁵³ Cape York Institute for Policy and Leadership (CYI), *From Hand Out to Hand Up: Cape York Welfare Reform Project Design Recommendations*, CYI, Cairns, May 2007, p 7.

⁵⁴ *ibid.*, p 124.

- Determine that all or part of the welfare payments to which an individual is entitled should be redirected to another adult who is caring for the individual's children.⁵⁵

FIM was envisaged as playing a critical role in what is referred to by CYI as 'conditional income management'. The CYI states:

The FRC would engage the Family Income Management program to assist it in implementing the sanction. It is anticipated that FIM would form a sub-project called Conditional Income Management to provide the face to face contact with people subject to a conditional income management sanction during the pilot. This service would include meeting with the individuals to determine essential expenses and being the first port of call for changes to essential expenses and in emergency circumstances.

FIM would also liaise with Centrelink to arrange payment of essential expenses once they had been approved by the FRC (including arranging for a purchase card to be issued). It may also be necessary for FIM to handle the trust accounts for residual income until commercial financial organisations bring a product online as FIM has account structures that could be modified to suit trust account requirements. FIM would report to the FRC on the participation of individuals involved to enable the FRC to track participation.

FIM would provide services through a formal service agreement arrangement. This agreement would outline the agreed level of service provision FIM would provide and the agreed costs for doing so. Payment of individual fees for referrals above a base level of service availability would allow the program and the FRC to be responsive to the level of demand that is experienced over the life of the project.⁵⁶

It is evident from the above that it is envisaged that, as part of the Welfare Reform Project, FIM would play a very different role to the one that it performed at the time of the Committee's travel to Cape York. When utilised in conjunction with Welfare Reform to impose 'Conditional Income Management', FIM would become a mandatory program with a punitive aspect.

Finding 22

When utilised to impose the Cape York Welfare Reform Project's 'Conditional Income Management', Family Income Management (FIM) is intended to play a very different role to the one that it performed at the time of the Committee's travel to Cape York. FIM would become a mandatory program with a punitive aspect.

Little information has been made publicly available on the progress of the Welfare Reform Project at the pilot sites, and it is therefore difficult to assess its success or otherwise. In any event, in

⁵⁵ Cape York Institute for Policy and Leadership (CYI), *From Hand Out to Hand Up: Cape York Welfare Reform Project Design Recommendations*, CYI, Cairns, May 2007, pp 9, 10.

⁵⁶ *ibid.*, p 207.

October 2007, the Premier of Queensland was reported as stating that the Commonwealth's support for the reform had not been forthcoming, to the extent that the establishment of a Family Responsibilities Commission (FRC) as a statutory authority, a critical proposal amongst the Project's '*design recommendations*', was not able to be implemented.⁵⁷

Finding 23

Little information has been made publicly available about the progress of the Cape York Welfare Reform Project.

In any event, it appears that the establishment of a Family Responsibilities Commission (FRC) as a statutory authority, a critical proposal amongst the Project's '*design recommendations*', had not been implemented.

As a result, the Committee is not in a position to assess the success or otherwise of the proposal to utilise FIM as a mandatory program as part of the Cape York Welfare Reform Project.

Finding 24

The Committee is not able to assess the success or otherwise of the proposal to utilise Family Income Management (FIM) as a mandatory program as part of the Cape York Welfare Reform Project.

5.2 MoneyBusiness

(a) Background

MoneyBusiness was launched in July 2005 by the ANZ Bank and the Commonwealth Department of Families, Community Services and Indigenous Affairs (FaCSIA). The initiative was designed to assist Indigenous people to develop money management skills and encourage a stronger savings

⁵⁷ The Premier of Queensland advised that the establishment of the FRC:

was conditional upon full involvement of the Commonwealth government in all aspects of the commission's deliberations. In particular, the Commonwealth needs to be represented on any panel established to review a family's access to Commonwealth and Queensland government services, including income support. (Hon AM Bligh, Premier, Queensland, Legislative Assembly, *Parliamentary Debates* (Hansard), 11 October 2007, p 3432.)

culture.⁵⁸ ANZ states that it was developed following research carried out for ANZ in 2004. Although the research concerned financial exclusion generally, it found that:

*special factors affect Indigenous Australians who are the only ethnic group in Australia consistently associated with financial exclusion.*⁵⁹

MoneyBusiness is being piloted in six sites in the Northern Territory and Western Australia over a three year period. These sites include Katherine, Nguiu (Tiwi Islands), Galiwinku (Elcho Island) and Tennant Creek in the Northern Territory and Kununurra and Geraldton in Western Australia.⁶⁰

When the national launch of MoneyBusiness was announced in Katherine in June 2005, the former Minister for Family and Community Services stated that:

*This project will help to build self-reliance, improve living standards and strengthen families and communities.*⁶¹

The former Minister announced that the ANZ would contribute nearly \$1 million to the initiative, and the Commonwealth would contribute \$4.4 million.⁶²

The program is described as bringing together ANZ corporate skills, remote service delivery through FaCSIA and other 'community partners' such as Mission Australia that will deliver the program in Katherine.⁶³

MoneyBusiness is an adapted form of the ANZ's generic MoneyMinded adult educational program with the addition of a 'Saver Plus' matched savings program. MoneyMinded is described by the ANZ as 'Australia's first comprehensive adult financial education program' developed by the ANZ, the Australian Financial Counselling, Credit Reform Association and Brotherhood of Saint Laurence.⁶⁴ The ANZ states that MoneyMinded:

consists of two adult financial education programs developed to help people build their financial skills, knowledge and confidence:

– *MoneyMinded workshops delivered by financial counsellors and community educators.*

⁵⁸ Agreements, Treaties and Negotiated Settlements Project, 'MoneyBusiness', Available at: www.atns.net.au/agreement.asp?EntityID=2863 Accessed on 14 November 2007.

⁵⁹ ANZ, Media Release, 'ANZ and the Australian Government launch Indigenous money management and savings program', 29 July 2005.

⁶⁰ Agreements, Treaties and Negotiated Settlements Project, 'MoneyBusiness', Available at: www.atns.net.au/agreement.asp?EntityID=2863 Accessed on 14 November 2007.

⁶¹ Former Minister for Family and Community Services, media Release, 'National Launch of MoneyBusiness in Katherine', 29 July 2005.

⁶² *ibid.*

⁶³ ANZ, Media Release, 'ANZ and the Australian Government launch Indigenous money management and savings program', 29 July 2005.

⁶⁴ *ibid.*

- *MoneyMinded online delivered over the Internet and available through workplace intranets.*⁶⁵

The ANZ describes Saver Plus as a financial literacy and matched savings program developed to help families on low incomes set and achieve a savings goal and establish a long term savings habit. It provides financial education training, personal coaching support, and matches every dollar saved with an additional one dollar, up to a \$1000 in matched funds, to be used towards education costs for the participants' children or their own vocational education.⁶⁶

The partnership between ANZ and FaCSIA aims to adapt MoneyMinded for Indigenous communities and to develop an Indigenous money management training package to train local Indigenous people in the delivery of the adapted MoneyBusiness. It also aims to work with other Commonwealth programs and the private sector to cultivate Indigenous money management skills.⁶⁷

On 30 June 2006, the Minister for Families, Communities and Indigenous Affairs announced the formal acknowledgement of the rollout of MoneyBusiness through the signing of the Money Management Agreement by the Minister and the ANZ. The Minister, the Hon Mal Brough, stated:

*The MoneyBusiness program funds local service providers to recruit and train Indigenous workers to provide intensive money management support to Indigenous families and individuals to build their money management capacity.*⁶⁸

(b) Training materials⁶⁹

As indicated, the MoneyBusiness initiative included the development of training materials for MoneyBusiness workers at sites across Australia.

⁶⁵ MoneyMinded, 'About MoneyMinded', Available at: www.moneyminded.com.au Accessed on 14 November 2007.

⁶⁶ ANZ, 'Saver Plus', Available at: www.anz.com/aus/aboutanz/Community/Programs/Saver.asp Accessed on 14 November 2007.

⁶⁷ ANZ, Media Release, 'ANZ and the Australian Government launch Indigenous money management and savings program', 29 July 2005.

⁶⁸ Minister for Families, Communities and Indigenous Affairs, Media Release, 'Australian Government and ANZ sign MoneyBusiness agreement', 30 June 2006.

⁶⁹ Kununurra Telecentre, 'Kununurra Telecentre - A review of 2006', Available at: telecentres.wa.gov.au/news/article.asp?articleID=54 Accessed on 14 November 2007.

The Kununurra Telecentre⁷⁰ was involved in developing these materials for Kununurra. It has provided information on the processes associated with the development of the MoneyBusiness training materials and states that these will enable MoneyBusiness workers in remote Indigenous communities to develop their understanding of money management issues for local families and their local community. The MoneyBusiness workers were also intended to develop planning and promotional skills, so that they can raise awareness of money management issues in their local community and assist families and individuals to make the best possible decisions for using their money.

Kununurra Telecentre was subcontracted by the Kimberley Training Group and also worked with Waringarri Aboriginal Corporation (the successful Service Provider) to provide the training and site for the MoneyBusiness project. Waringarri Aboriginal Corporation was responsible for providing project management support for the program, along with the recruitment of MoneyBusiness employees, providing office space, administration, and assistance with the promotion of MoneyBusiness in the site. Kununurra Telecentre and Kimberley Group Training were responsible for working collaboratively with Waringarri in organising the training delivery, delivering training to MoneyBusiness workers and interested community members, providing on-going coaching, and assessing MoneyBusiness workers in accordance with requirements in the funding agreement.

The Kununurra Telecentre advises that MoneyBusiness workers, once trained, are responsible for:

- encouraging active community participation in MoneyBusiness development;
- assisting with community education and awareness raising projects;
- providing coaching and practical support to MoneyBusiness participants; and
- assisting with service delivery to MoneyBusiness clients including developing Money Plans and budgets, engaging new MoneyBusiness participants, assisting participants to stay motivated and record statistics.

It is of note that although the service provider in Kununurra is an Indigenous organisation, Waringarri Aboriginal Corporation, this is not necessarily the case. In Katherine, for example, Mission Australia delivers the program. Unlike the arrangements relating to the provision of FIM in the remote communities of Cape York, too, where Cape York Partnerships fulfils the role of regional project manager, the role of the MoneyBusiness service providers are site specific and are not regionally based.⁷¹

⁷⁰ The Kimberley Telecentre is one of a network of Telecentres which originated from moves to improve access to adult education for people living in remote and rural Western Australia. The Telecentres are described as friendly local community centres equipped with high tech facilities which offer not only education but many other services to assist businesses, residents and visitors to these regions. These are under the umbrella of the Department of Local Government and Regional Development (available at telecentres.wa.gov.au/telecentres/ Accessed on 14 November 2007).

⁷¹ Dr Jeff Harmer, Secretary, FaCSIA, letter, 30 April 2007, Attachment A, reproduced at Appendix 2.

(c) Evaluation by FaCSIA

In April 2007, Dr Jeff Harmer, Secretary of FaCSIA, advised the Committee that:

FIM and MoneyBusiness have the same objectives and both seek to address similar needs — better-informed money management decision-making. Both programs are based on a commitment to providing a tailored service to meet the diverse needs of clients, through very 'hands on' support. Both employ local Indigenous people to deliver the service, acknowledging the importance of local cultural knowledge and language skills. Both have actively employed a 'learning by doing' approach. Both have been implemented in remote locations, with MoneyBusiness also operating in some regional centres...

The main difference between the programs is that the FIM program is designed around the use of a customised banking product containing linked accounts, whereas MoneyBusiness clients receive information and support to enable them to choose between banking products.

*Currently ... over 600 clients have accessed MoneyBusiness in the first year of operation.*⁷²

Similar to FIM, Dr Harmer advised that MoneyBusiness was also a voluntary program. However, the Committee notes that there are a number of differences as outlined in the extract from the summary provided by Dr Harmer, below.

Table 5.1 FaCSIA summary of FIM and MoneyBusiness programs⁷³

Issue	FIM	MoneyBusiness
Participant experience	Can be 'in FIM' meaning use of banking model to provide automatic deductions at source to pay for 'needs', in accordance with agreed budget and goals. FIM worker can act as 'gate-keeper' to access savings. Cash carried is minimised. Banking model uses tailored Westpac banking product, with internet access to banking services.	Emphasis on supported and informed access to mainstream banking services, using different kinds of banking products to support budgeting and saving - eg accounts with no-key card access, automatic deductions, use of internet and phone banking in remote sites.
Service provider arrangement	Funding agreement with single service provider (Cape York Partnerships from 06/07 - previously Aurukun Shire Council) with responsibility for all sites, with MOU between service provider and each site funding	Separate funding agreement with service providers in each site.

⁷² Dr Jeff Harmer, Secretary, FaCSIA, letter, 30 April 2007.

⁷³ *ibid.*, Attachment A. The complete table is included as Appendix 2.

Issue	FIM	MoneyBusiness
	directly to CYP.	
Training	Training of workers is mainly focused on use of FIM processes, with some access to externally provided training through TAFE. Project manager also provides extensive support to FIM workers.	Customised (for remote context) accredited training materials package, delivered locally to workers, with trainers providing extensive on-the-job support for workers. Customised workshop materials developed for used with clients (ANZ funded).

It appears to the Committee that although there are some parallels (outlined in more detail at Appendix 2) the MoneyBusiness approach differs considerably to the FIM approach. Notably MoneyBusiness relies upon a generic program, adapted for local delivery and delivered by local workers, while FIM appears to have been developed as a specific program for, and by, the communities of Cape York.

The FIM program is also regionally administered and '*project managed*' by Cape York Partnerships. MoneyBusiness is not implemented on a regional basis, but at a number of specific sites with separate project managers and service providers and is administered by FaCSIA in Canberra. This distinction was nicely summarised by one of the FIM workers by the reference to MoneyBusiness as '*a program which has been developed, but without development of the community*' in which it operates. This reflects the comments relating to Cape York Partnerships, referred to in Chapter 3 and highlighting the differences between those agencies which develop initiatives outside the region and then implement these '*in isolation from other agencies in a random community-by-community approach*' and the CYP which is:

*based on developing initiatives within the region, maximising these opportunities through partnerships and gaining support for projects at regional level to ensure regional outcomes.*⁷⁴

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Cape York Partnerships, Available at www.capeyorkpartnerships.com/operations/index.htm Accessed on 20 November 2007.

Finding 25

It appears to the Committee that, although there are some parallels, the MoneyBusiness approach differs considerably to the Family Income Management (FIM) approach.

Notably MoneyBusiness relies upon a generic program, adapted for local delivery and delivered by local workers, while FIM appears to have developed as a specific program for, and by, the communities of Cape York.

The FIM program is also regionally administered and '*project managed*' by Cape York Partnerships, while MoneyBusiness is not implemented on a regional basis, but at a number of specific sites with separate project managers and service providers, and is administered by the Department of Families, Community Services and Indigenous Affairs (FaCSIA) in Canberra.

With reference to assessing its effectiveness, Dr Harmer advises that, together with FIM, MoneyBusiness had achieved a number of positive outcomes for participants. MoneyBusiness, however, had not yet been evaluated other than by having baseline data collected so that evaluation of the program could occur later.⁷⁵

Finding 26

In the absence of any evaluation by the funding body, the Department of Families, Community Services and Indigenous Affairs (FaCSIA), and without the opportunity to meet with and discuss MoneyBusiness with the community members and workers at sites where the program is operating, the Committee is not able to assess the success or otherwise of the MoneyBusiness initiative.

5.3 'Emergency response'

In announcing a '*National emergency response to protect Aboriginal children in the NT*' the Commonwealth Minister for Families, Community Services and Indigenous Affairs stated that:

In response to the national emergency confronting the welfare of Aboriginal children in the Northern Territory, the Australian Government today announced immediate, broad ranging measures to stabilise and protect communities in the crisis area.

The measures include:

⁷⁵

Dr Jeff Harmer, Secretary, FaCSIA, letter, 30 April 2007.

- *Introducing widespread alcohol restrictions on Northern Territory Aboriginal land;*
- *Introducing welfare reforms to stem the flow of cash going toward substance abuse and to ensure funds meant to be for children's welfare are used for that purpose;*
- *Enforcing school attendance by linking income support and family assistance payments to school attendance for all people living on Aboriginal land and providing meals for children at school at parents' cost;*
- *Introducing compulsory health checks for all Aboriginal children to identify and treat health problems and any effects of abuse;*
- *Acquiring townships prescribed by the Australian Government through five year leases including payment of just terms compensation;*
- *As part of the immediate emergency response, increasing policing levels in prescribed communities, including requesting secondments from other jurisdictions to supplement NT resources, funded by the Australian Government;*
- *Requiring intensified on ground clean up and repair of communities to make them safer and healthier by marshalling local workforces through work-for-the-dole;*
- *Improving housing and reforming community living arrangements in prescribed communities including the introduction of market based rents and normal tenancy arrangements;*
- *Banning the possession of X-rated pornography and introducing audits of all publicly funded computers to identify illegal material;*
- *Scrapping the permit system for common areas, road corridors and airstrips for prescribed communities on Aboriginal land; and*
- *Improving governance by appointing managers of all government business in prescribed communities.*⁷⁶

There are apparent similarities between these proposals and the objectives of the FIM initiative, specifically the introduction of welfare reforms to:

- stem the flow of cash going toward substance abuse;
- ensure funds meant to be for children's welfare are used for that purpose; and

⁷⁶ Commonwealth Minister for Families, Community Services and Indigenous Affairs, Media Release, 'National emergency response to protect Aboriginal children in the NT', 21 June 2007.

- enforce school attendance by linking income support and family assistance payments to school attendance.

Major General David Chalmers, who heads the Commonwealth government's intervention task force, described the aims of the income management under the intervention as being:

*One... to make sure that people are spending the money on essentials, on food for children. The other thing is to protect people and protect everybody from humbugging.*⁷⁷

It is of note, however, that the income management model proposed as part of the Commonwealth intervention is significantly different from the FIM program as it operated when the Committee travelled to Cape York. Most obviously, the Commonwealth intervention relies upon the mandatory quarantining of income. Less obviously, but also significant, is that while FIM relies upon CDEP workers, the Commonwealth initiative is tied to the removal of CDEP from the remote communities in which it has been implemented. (It appears, at least in part, this has been to facilitate the quarantining of payments, as CDEP income is not classified as welfare payments but as wages.)

Perhaps most significantly of all, however, while the FIM program, in both its voluntary and proposed involuntary forms, has been developed in consultation with the communities in which the program is implemented, the Northern Territory intervention occurred in the absence of any consultation with affected Indigenous communities.

Finding 27

It appears to the Committee that although there are some superficial parallels between the quarantining of welfare payments occurring as part of the Commonwealth intervention in the Northern Territory and the Family Income Management (FIM) program, there are critical distinctions:

- FIM is a voluntary program and the Commonwealth intervention relies upon the mandatory quarantining of income;
- FIM relies upon Community Development Employment Projects (CDEP) workers, while the Commonwealth initiative is tied to the removal of CDEP from the remote communities in which it has been implemented ; and
- the FIM program, in both its voluntary and proposed involuntary forms, has been developed in consultation with the communities in which it is implemented, while the Northern Territory intervention occurred in the absence of any consultation with affected Indigenous communities.

⁷⁷

The 7:30 Report - ABC, 'NT intervention delivers mixed results', 16 October 2007, Available at: www.abc.net.au/7.30/content/2007/s2060915.htm Accessed on 1 November 2007.

The Commonwealth intervention has been highly contentious.⁷⁸ Without the opportunity to meet with and discuss the intervention with the community members and workers affected, the Committee is not able to assess the success or otherwise of this initiative.

Finding 28

The Commonwealth intervention in the Northern Territory has been highly contentious.

Without the opportunity to meet with and discuss the intervention with the community members and workers affected, the Committee is not able to assess the success or otherwise of this initiative.

⁷⁸

See for example, Four Corners - ABC Television, 'Tracking the intervention', 5 November 2007, Available at: www.abc.net.au/4corners/special_ed/20071105/intervention/default.htm Accessed on 15 November 2007; Message Stick - SBS, 'Karla grant speaks to Mal Brough', 1 November 2007, Available at: news.sbs.com.au/livingblack/karla_grant_speaks_to_mal_brough_134118 Accessed on 15 November 2007.

CHAPTER 6 CONCLUSION

This Report has highlighted the historical and contemporary circumstances which explain the reasons why Indigenous people throughout Australia may not have had the opportunities to develop the crucial capacities to understand and manage finances available to others. The lack of capacity is compounded by members of Indigenous communities generally having access to far less economic resources than others, as well as having strong familial and kinship obligations which tend to place far greater demands upon those already limited resources.

The Committee is satisfied that the Family Income Management (FIM) program, a project under the auspices of Cape York Partnerships, funded by FaCSIA, and supported by Westpac and CDEP workers, has been a highly successful initiative in Cape York. Critical to its success, in the Committee's view, has been:

- the responsiveness of the initiative to the expectations of the remote Indigenous communities in which FIM operates, in particular by making it voluntary; and
- the strong relationships established between the program participants and providers.

It is as a result of these factors that FIM has been able to avoid the initial concerns of members of those remote communities that FIM paralleled the financial regime of the *'Native Protectors'*.

The Committee is satisfied that FIM has assisted Indigenous people in the remote communities of Cape York to achieve their goals, to understand and access services available to others, and to exercise more control over their lives. Despite its success, however, FIM does not have the capacity to address Indigenous poverty, although it may alleviate it to some extent. Despite its success, nor can FIM (as it was at the time of the Committee's travel to Cape York) address the critical problem of those individuals who, affected by substance abuse or other personal circumstances, are unwilling or incapable of participating in the program. The Committee also acknowledges that the costs associated with the program, both those costs accounted for through Commonwealth budgets and the un-costed and voluntary contributions of others, in particular Westpac and CDEP workers, appear to be substantial.

On the available evidence, however, the Committee concludes that FIM, as a voluntary program, has been a highly successful initiative in the remote Indigenous communities of Cape York.

Finding 29

Family Income Management (FIM), as a voluntary program, has been a highly successful initiative in the remote Indigenous communities of Cape York.

The Committee is aware that there are number of other initiatives that appear to have some similarities with FIM. However, those initiatives - the mandatory version of FIM associated with

the *‘Welfare Reform’* pilot sites in Cape York, the MoneyBusiness program, and the income quarantining initiatives associated with the Commonwealth’s intervention into the Northern Territory - appear to differ, to varying degrees, from FIM as it operated at the time of the Committee’s travel to Cape York . It is for that reason, and in the absence of assessments by other agencies or the Committee’s own inquiries with communities involved, that the Committee is not in a position to assess any of these alternative initiatives as successful or otherwise.

In considering the adaptation and implementation of an initiative modelled on FIM in Western Australia, one of the key differences noted by the Committee between the FIM model and MoneyBusiness warrants further comment. Although both programs rely upon local service providers, Cape York Partnerships has a role as regional project-manager of FIM throughout Cape York. There is no equivalent regional *‘project-management’* function in relation to the MoneyBusiness program.

It is of note that other than in the Torres Strait Islands,⁷⁹ there are no Indigenous agencies that have the equivalent formally recognised regional representative function in Australia. However, there is capacity in Western Australia for agencies which could undertake a regional project manager role similar to that filled by the Cape York Partnerships in Cape York. For example, the west Kimberley’s Kullarri Regional Indigenous Body (KRIB) was identified by the Law Reform Commission in its Aboriginal Customary Law reference as one of the first regional representative structures established since ATSIC’s demise. It considered the KRIB to be *‘an exemplar because it is a ‘self-identifying’ and ‘selforganising’ structure that has emerged from within the community itself’*.⁸⁰ More recently, structures within the South West Aboriginal Land & Sea Council developed during the native title process were identified as providing the basis for a possible regional governance structure for Noongar by the Australian National University’s Indigenous Community Governance Project.⁸¹

The issue of Indigenous representative organisations is examined further in the context of the Torres Strait Regional Authority, which will be the topic of a future Committee report. However, the examples provided indicate that, even in the absence of the formal recognition afforded the Torres Strait Regional Authority, there are regional Indigenous agencies which have capacity to project-manage any income management initiative modelled on the FIM program and to fulfil the role of Cape York Partnerships in Western Australia.

⁷⁹ Which has retained a regional representative authority, as indicated in Chapter 1.3.

⁸⁰ Law Reform Commission of Western Australia, *Aboriginal customary laws: The interaction of WA law with Aboriginal law and culture, Final Report*, September 2006, p 356.

⁸¹ Indigenous Community Governance Project (Australian National University), ‘Regional Governance in WA: A possible structure for the South-West’, Newsletter, Vol 3 No 1, May 2007, p 1.

Finding 30

Even in the absence of the formal recognition, there are regional Indigenous agencies which have capacity to project-manage any income management initiative modelled on the Family Income Management (FIM) program and to fulfil the role of Cape York Partnerships in Western Australia.

The Committee commends the FIM initiative as a model for consideration and adaptation by remote Aboriginal communities in Western Australia. It recommends that State government, in collaboration with not-for-profit and private agencies as it considers appropriate (but subject to fostering Indigenous regional project-management), initiate regional programs with remote Aboriginal communities and agencies to develop and implement initiatives based on the voluntary FIM model, as adapted to meet the needs and expectations of local communities.

Recommendation 1

The Committee recommends that State government, in collaboration with not-for-profit and private agencies as it considers appropriate (but subject to fostering Indigenous regional project-management), initiate regional programs with remote Aboriginal communities and agencies to develop and implement initiatives based on the Cape York voluntary Family Income Management (FIM) model.

The FIM model should be adapted to meet the needs and expectations of local communities.

APPENDIX ONE

BRIEFINGS HELD

Date	Name	Position	Organisation
13 Nov 2006	Mr Tim Jaffer	Chief Executive Officer	Cape York Partnerships
13 Nov 2006	Mr Mathew Gibson	Chairperson	Bamanga Bubu Ngadimunku
	Mr Gerald Nandy	Vice-Chairperson	Bamanga Bubu Ngadimunku
	Ms Emma Burchill	Member	Bamanga Bubu Ngadimunku
	Ms Roberta Henning	Family Income Management	
	Mr Wayne Beale	Family Income Management	
	Ms Donna Henning	Individual/Family Engagement	
	Mr Roger Pugh	Leadership Engagement	
	Mr Tim Jaffer	Chief Executive Officer	Cape York Partnerships
15 Nov 2006	Ms Megan Irving	Family Income Management Resource Worker	Coen Regional Aboriginal Corporation
	Mr Gavin Bassani	Deputy Chief Executive Officer	
15 Nov 2006	Mr Alan Creek	Community Development	Coen District Welfare Reform Project

APPENDIX TWO

DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS SUMMARY OF FIM AND MONEYBUSINESS PROGRAMS⁸²

Issue	FIM	MoneyBusiness
Target group	Indigenous families and individuals and communities.	Indigenous families and individual and communities.
Location	Cape York - Weipa (Mapoon & Napranum), Aurukun, Mossman Gorge, Coen, Hopevale and Cooktown.	Four sites in NT (Katherine, Tennant Creek, Nguiu, Galiwinku) and 2 in WA (Kununurra and Geraldton).
Commencement of Service Delivery	Aurukun, Mossman Gorge and Coen commenced 2002; Hopevale, Weipa and Cooktown commenced 2006.	All sites opened between April-July 2006 after completion of worker training.
Funding	\$6.094 million allocated 2006 Budget over four years. \$1.485 ⁸³ million allocated for Improved Family Payments Outcomes in FIM sites.	\$4.4 million allocated 2004 Budget, over four years. \$1.344 million allocated for Improved Family Payments Outcomes in MoneyBusiness sites.
Main Tools	Banking 'product' of linked Westpac bank accounts ('Westpac One' type of account) - previous ledger system moving now to banking model; local community FIM Plan.	MoneyBusiness Plan for clients (includes budgeting goals) and MoneyBusiness Community Action Plan.

⁸² This Appendix reproduces Attachment A to the correspondence form Dr Jeff Harmer, Secretary, FaCSIA,, of 30 April 2007.

⁸³ Improved Family Payments Outcomes for Indigenous Children initiative will also be available in three Home Ownership on Indigenous Land (HOIL) sites in 08/09 and 09/10

Issue	FIM	MoneyBusiness
Participant experience	<p>Participation in the program is voluntary.</p> <p>Planning/capacity building focus - building self-reliance, through giving people information about value of money, distinguishing 'needs' and 'wants', banking fess, different kinds of banking services, use of internet and phone banking, use of pin-numbers, managing pressures on household budgets, consumer rights and responsibilities etc.</p> <p>Community education on locally identified priorities, such as 'book-up, gambling, taxation, superannuation, consumer right and responsibilities.</p> <p>Family payments focus - achieving better outcomes from the use of family payments.</p> <p>Can be 'in FIM', meaning use of banking model to provide automatic deductions at source to pay for 'needs', in accordance with agreed budget and goals. FIM worker can act as 'gate-keeper' to access to savings. Cash carried is minimised. Banking model uses tailored Westpac banking product, with internet access to banking services.</p> <p>Coen, Aurukun and Mossman Gorge run 'Junior Income Management' in partnership with local schools.</p>	<p>Participation in the program is voluntary.</p> <p>Planning/capacity building focus - building self reliance, through giving people information about value of money, distinguishing 'needs' and 'wants', banking fess, different kinds of banking services, use of internet and phone banking, use of pin-numbers, managing pressures on household budgets, consumer rights and responsibilities etc.</p> <p>Community education on locally identified priorities, such as 'book-up, gambling, taxation, superannuation, consumer right and responsibilities.</p> <p>Family payments focus - achieving better outcomes from the use of family payments.</p> <p>Emphasis on supported and informed access to mainstream banking services, using different kinds of banking products to support budgeting and saving - eg accounts with no key-card access, automatic deductions, use of internet and phone banking in remote sites.</p> <p>ANZ Saver Plus program offered in sites where there is an ANZ Branch - opportunity for clients to build a savings habit.</p>
Service provider arrangement	<p>Funding agreement with single service provider (Cape York Partnerships from 06/07 - previously Aurukun Shire Council) with responsibility for all sites, with MOU between service provider and each site.</p>	<p>Separate funding agreement with service providers in each site.</p>
Project management arrangement	<p>Single project manger working across sites.</p>	<p>Project management support from each service provider.</p>

Issue	FIM	MoneyBusiness
Partnership arrangement	<p>Partnership between Cape York Partnerships and Westpac.</p> <p>Westpac secondees provide specialised support on the ground, as well as general support to program.</p> <p>Current project manager is a Westpac secondee.</p> <p>Westpac does not provide funding directly to CYP.</p>	<p>Partnership between ANZ and the Australian Government.</p> <p>ANZ support for development of training materials; Saver Plus program offered in at least 3 MB sites; evaluation; general support for promotion activity, attendance at conferences etc.</p> <p>ANZ does not provide funding directly to FaCSIA.</p>
Training	<p>Training of workers is mainly focuses on use of FIM processes, with some access to externally provided training through TAFE. Project manager also provides extensive support to FIM workers.</p>	<p>Customised (for remote context) accredited training materials package, delivered locally to workers, with trainers providing extensive on-the-job support for workers.</p> <p>Customised workshop materials developed for used with clients (ANZ funded).</p>
Local reference group	Local reference group utilised.	Local reference group utilised.
Indigenous staffing	Indigenous and non-Indigenous staff recruited.	All but two of the workers are Indigenous.
Focus on youth	FIM has introduced JIM (junior Income Management) into schools.	Focus on youth being developed through working with local schools.
Evaluation	FIM evaluation report completed 2005. No baseline data available to evaluation.	Baseline data collection has commenced, as part of overall program evaluation.
Access to financial counselling support	Telephone-based access to financial counselling support, being established.	Some sites have local access to financial counsellors - other sites have telephone-based access.