

**EDUCATION AND HEALTH STANDING COMMITTEE**

*Eleventh Report - "A Successful Initiative - Family Income Management"*

**MR T.G. STEPHENS (Central Kimberley-Pilbara)** [9.20 am]: I present for tabling the eleventh report of the Education and Health Standing Committee, entitled "A Successful Initiative - Family Income Management".

[See paper 3492.]

**Mr T.G. STEPHENS:** In speaking to the tabling of that report, members will note that this committee has become a very prolific report writing committee. This is, in fact, the fourth report in a series on successful initiatives in remote Aboriginal communities. It has coincided with another large volume of work the committee has done. The committee has been very ably assisted by its committee staff, namely, Dr Jeannine Purdy and Ms Nicole Burgess.

I hope that the Deputy Speaker will not mind my telling the house that this report has come about as a result of her own strong insistence from the work the committee did while she was a member when it travelled to Cape York. At that time, we had no intention of bringing down a report of this type. When we met with the people associated with Noel Pearson's Cape York agenda, we were probing the intervention, I suppose, that has occurred in Cape York to try to understand what was going on in that region and what was underpinning the changes that were stealing attention from the national agenda's focus in the area of Indigenous affairs.

I think it is true to say that during that process, committee members had a range of responses to what we saw in Cape York. Hopefully, members will hear later from committee members about their experiences in Torres Strait and the lessons they learnt from both parts of the committee trip. However, it is the Cape York report that is before the house today. The Torres Strait Islands report, which we will hopefully deliver next year, will deal with the second part of the committee's trip, its studies of that region and the lessons that we can all draw upon to find a way forward with some successful responses to the challenges facing the Aboriginal community.

The family income management initiative, which is the subject of this report, features some innovative work that was championed in Cape York with the support of the apparatus that Noel Pearson's colleagues put together. It was a very successful initiative indeed. In the report, members will find a description of what was involved. Effectively, it was a partnership between a major bank - in this case Westpac, which provided personnel - and people associated with the Cape York agenda, who rolled out opportunities for people in Aboriginal communities to find ways to better manage the income streams available to them. Many of the families in this area have very low income streams indeed. They are often welfare recipients and face all the challenges of living in a high-cost area. They try to tackle the ordinary expenses that the average mums and dads of Australia have to focus on, such as maintaining their households, food bills, rent, power and other associated living costs, which are exacerbated by the high cost of living in such a remote area.

Through this collaboration between Westpac and the people associated with the Cape York agenda, the initiative gave families the opportunity to work with the expertise made available to them to put in place the immediate and appropriate distribution of their income streams to pay the bills and effectively save for projects they might have, such as the purchase of whitegoods, the costs of study or travel, and other expenses. The committee heard of one family's cultural need to save for a headstone for the family grave. It was a major cost and the family was trying to find ways to save up for that. The family was guided and assisted in its saving and eventually it was able to secure the creation of a family headstone to mark the loss it had incurred some months before. This is an example of a simple family expenditure item but one that was an enormous challenge for a low income family. The strategy of the family income management initiative that was employed in this case was put to good use.

The Cape York agenda is controversial and to some extent has been politicised in the area of Indigenous affairs. The committee's report goes through some of the challenges facing the Cape York agenda and singles out this family income management program, which is not subject to that controversy. Our report finds that the family income management initiative has been successful, in part, because it has been maintained as a voluntary system for contributions. The initiative has not become a mandatory system, although some people connected with the Cape York agenda have been advocates for adapting and adopting this initiative so that it would be associated with the establishment of the proposed family responsibilities commission as a statutory authority. That is a critical proposal as far as people connected to the Cape York agenda are concerned. Noel Pearson has been an advocate for the establishment of this family responsibilities commission, which would integrate the family income management program into a further phase that would allow for the application of the FIM project to be mandatory for those families who are put into the program by a decision of the family responsibilities commission. The committee reached several conclusions in its findings and recommendations. Finding 21 states -

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.

The committee commented that it was not able to assess the success or otherwise of the proposal to utilise FIM as a mandatory program as part of the Cape York agenda. We commented that one of the successes of this particular program was its voluntary nature. For those people who choose to read this report, which is part of a series of reports on successful initiatives in the field of remote communities operating across Western Australia, it is important to put this report against the backdrop of what is up for discussion in Cape York and what has been considered nationally by the Howard government not only for application in Cape York, but also for inclusion in what has been described as the intervention in the Northern Territory. It is clear that if we had seen the re-election of the Howard government, there would have been a major momentum in the rollout of a response to the challenges facing Aboriginal communities that was leaning in the direction of a mandatory use of family income management programs such as this.

I digress for a moment to make the point that as well as this particular initiative in Cape York associated with family income management, the federal government has taken other initiatives to try to assist remote communities and Aboriginal people across Australia in improving their financial management skills. In Western Australia there is a program that consists of collaboration between the commonwealth government and the ANZ bank. It is called the MoneyBusiness program and operates in the Kimberley, specifically around the east Kimberley. It is connected with the Kununurra telecentre and the Waringarri Aboriginal Corporation. That program tries to encourage active community participation in education awareness about financial matters, and it also provides practical support for people. The features of the family income management program were clearly earmarked by the Howard government, with the Brough intervention in the Northern Territory, for expansion and application more widely in some form of compulsory fashion for the Aboriginal communities.

I think that both sides of politics agree that the Aboriginal communities around Australia are facing a major challenge. My observation of it pinches the words of Al Gore in reference to environmental issues. The Aboriginal communities in remote Australia have reached a critical tipping point; a tipping point that is very self-evident for those who immerse themselves in the lives of the Indigenous communities and their interface with the wider population centres, whether it is in the remote parts of Western Australia or the Northern Territory or Cape York. A major response from governments at every level, the wider community, Aboriginal leadership and all sections of the Australian community is needed to respond to this self-evident tipping point.

How do we respond? The committee is recommending that we identify particular initiatives that have been successful. We have not come across a helluva lot in the period in which we have been working in this area. However, in a previous report, we flagged to the house some that have been successful. Here we are flagging to the house, the government, the wider community and financial sectors an initiative that is a collaboration between government, Aboriginal leadership and industry that has been put to very good use in Cape York. We must keep in mind that in Cape York we are dealing with a very small population compared with our own Aboriginal communities in regions like the Kimberley. I think the Cape York Aboriginal population is roughly - I am sure I will get an interjection from the gallery and I will stand corrected on the exact figure - about 8 000. In a region like the Kimberley there are Indigenous populations of much more significant numbers than that.

**Dr K.D. Hames:** What is it?

**Mr T.G. STEPHENS:** I think about 25 000. That is my rough guess. It is argued over because everyone says that the Australian Bureau of Statistics figures are hopelessly inadequate. People say that the figures that have come through the census are a disaster. There is under-counting galore in the Aboriginal community. That is part of the dysfunction that is going on in the lives of the Aboriginal community; they are no longer appearing in the census data. It is just a horrific reality with which we are faced. The member for Dawesville is looking at me but he is not going to say anything.

**Mr P. Papalia** interjected.

**Mr T.G. STEPHENS:** From the electoral rolls, yes. Unfortunately, they are disappearing from the census data as well, which is even more challenging. However, this is a successful initiative. It has been identified in that way by a committee of the house that is tri-partisan - it has Labor, Liberal and National Party representation - in a unanimous report. It is commended to the house as an initiative that should be brought to the attention of government and industry here in Western Australia. We are aware that financial institutions such as banks in other parts of the country - Westpac and ANZ - are finding ways of collaborating to the benefit of the Aboriginal community. We know that other banks are keen to do good things as well. The National Australia Bank under

its new chair, Michael Chaney, is one of those banks. The bank's excellent senior staff are increasingly articulate in responding to the challenges of the Australian community in reference to Aboriginal people. The senior staff of the National Australia Bank are expressing great interest and willingness to find partnerships with the Aboriginal community and others of goodwill to respond to the self-evident challenges within that community.

We hope that this report is tabled at an opportune moment in Australian politics with the election of a new government nationally, which will give the community the chance to pick up the grains of wheat that are clearly available in this field of Indigenous affairs, brush aside the chaff, and work with those projects that have a history of success. Regrettably, in the field of Indigenous affairs, success is very easy to see because it is not widespread. There are successful individuals and successful families, but there are just a tiny number of successful communities and a very limited number of successful programs. This is one such success and it deserves to be embraced by the Aboriginal community and put to good use in regions beyond Cape York.

As chairman of the committee, I hope that the quality work which has been put in by the previous members of the committee, and in particular the committee staff who have served this house and through this house the Western Australian community very well, and which is now documented in this report will be put to very good use and become the basis of initiatives from the Western Australian government and Aboriginal leadership in regions such as the Kimberley, the Pilbara and more widely across Western Australia. I am sure that even in metropolitan Perth, initiatives such as those in the report can be put to good use to help Aboriginal people avoid some of the side temptations. I hope Aboriginal people will embrace enthusiastically the notion of a mandatory initiative such as that which is contained in the report, and utilise the success that has come from the well-thought out voluntary issue of family income management. I commend the report to the house.

**DR K.D. HAMES (Dawesville)** [9.40 am]: I too commend this report to the house. I start by thanking two members of staff: Jeannine Purdy, our principal research officer, and Nici Burgess, our research officer, who are sitting in the public gallery listening to members ramble on. They have been a wonderful asset to this team. Jeannine, particularly, has great skills in writing. In fact, I was surprised to hear yesterday that both actually like writing reports. That is difficult to believe, but it is true. Over the coming Christmas break they plan to sit down and write some more reports that we have ready.

As members know, this is the Education and Health Standing Committee's eleventh report and the fourth in this particular series. The committee has completed a report on outcomes-based education and a report on the inquiry into lead pollution in Esperance. We have, therefore, had a massive workload. Through all those inquiries, particularly the report on outcomes-based education, which contained a minority report, committee members managed to work together and be part of a great team that got on very well. I therefore thank the members of the committee, including the new members, who slotted in very quickly and easily, for that great relationship. We will not see Jeannine Purdy and Nici Burgess again for the rest of the year, so I wish them all the very best for Christmas and new year. I particularly wish very good luck to Nici, who is due to have a baby. She knows the gender of the baby but she will not tell me. I have been trying to get it out of her. Members can hear her giggle in the gallery. She has told me some stupid female name. I have been trying to find out what it is but I cannot now remember. However, I think that means it is likely to be a boy called Joe! We will wait and see. Anyway, good luck, Nici, for the birth of the baby.

The committee's report came out of our visit to Queensland, particularly our meetings with Noel Pearson. I want to express support for the work Noel Pearson does in Queensland. He is an Aboriginal person who is extremely well respected across the whole of Australia and largely by non-Aboriginal communities. An Aboriginal person who speaks out about the problems in Aboriginal communities is not always well respected among his own, but he is certainly very well respected in the community that he represents. He has done a huge amount of work in conjunction with the commonwealth government to improve the lot of Aboriginal people in Cape York. My concern is that, having worked with the commonwealth Liberal government and having supported some of the programs it put forward, somehow less regard may be paid to him by the new Rudd Labor government. I hope that is not so and I trust that it is not so, as I know that Labor Party members have just as strong a commitment to the future of Aboriginal people. My belief is that they will work together and will find ways to progress initiatives such as the one we are discussing today, and I hope that Noel Pearson continues to be a very successful part of that Cape York agenda.

I particularly want to talk about the issue of family income management. Members might ask why I have chosen that issue out of all the other issues. As our chairman said, there was not really much else to find in terms of successful initiatives, but from the first day we saw this program we were impressed. The committee believes that there is a great opportunity to bring this program to Western Australia to help the lot of Aboriginal people in Western Australia. Of course, I am talking about not only northern Aboriginal people but also those in the city and the south west. Aboriginal people across the whole of Australia have enormous problems dealing with and

finding their place in modern society. As the chairman said, we are reaching a crisis point. Aboriginal people are in desperate need of some initiatives that will improve their lot for the future.

Members may ask: what is family income management? As the report states, family income management is a money management system specially designed to meet the particular needs of Indigenous families in Cape York who are seeking to manage their incomes to achieve their goals in a remote environment. One reason Aboriginal people have so much trouble doing that is the traditional method of managing the goods that Aboriginal people own, which is sharing. I am talking about sharing among family in particular, and among friends in a communal living style in which people are expected to share the goods they own with those who do not have them. However, the key is that there is a reciprocal arrangement. When the person who gave up his or her goods needs something, that support is handed back. Sadly, that is no longer the case in today's Aboriginal society. A lot of Aboriginal people who have goods are used by those who have no goods. They take their goods, money, welfare payments and food with no thought of providing a return. In that sense Aboriginal society is breaking down those traditional values, which makes it very difficult for an Aboriginal person to get ahead. Every time an Aboriginal person saves some money or gets food in the house, the chance is that someone - often a relative who is drunk - will turn up at the house demanding food or money, and if it is not provided, that person gets physically violent and expects the demand to be met as part of the communal relationship. There must be a way for Aboriginal people to break out of that practice; if they do not, they will never be able to get ahead as individuals or families, and they will never be able to set examples to those growing up around them. They will say, "What's the use of me going to work and earning \$50 000 a year when I've got to give it all away to people who are living off those things that I have."

I am sorry, but I forgot that I have so little time. I will read some of the outcomes from the report; if I do not finish them, perhaps another member will finish them for me. The outcomes are -

- *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 . . .*
- *Scores of beds, mattresses, fridges, freezers and washing machines have been purchased from savings, which . . . are contributing to better . . . health.*
- *Many leisure goods purchased (TVs, DVDs, CD players) . . . 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 . . . FIM is now an acceptable excuse to avoid being 'humbugged'.*

Humbugged is the term used when an Aboriginal person goes and humbugs someone to get their money from them. The outcomes continue -

- *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 . . . 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 . . .*
- *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 . . .*
- *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 . . . took out a joint . . . loan for \$6000 to buy furniture . . .*

I will conclude by saying that this shows what can be done with proper management. It shows the great change in heart that Aboriginal people can have as a result of having proper management of their finances, proper self-respect and avoiding the humbugging. I commend this report to the house.

**Mr P. PAPALIA (Peel)** [9.50 am]: I rise to address the eleventh report of the Education and Health Standing Committee on the successful family income management initiative. In so doing, I hasten to add that I had very little to do with the research for, or presentation of, this report. The lion's share of the work associated with the report was conducted prior to my joining the committee. However, this fact in no way limits my endorsement of the report or its findings but, rather, makes it even more important for me to acknowledge those who have contributed far more than I to the report - my parliamentary colleagues and our dedicated staff.

In thanking my colleagues - the members for Central Kimberley-Pilbara, Dawesville, Wagin, and Bassendean, and Madam Deputy Speaker, herself a former member of the committee - I would like to take the opportunity to express my gratitude not only for the work they have done on this report, but also for their forbearance regarding my habit of engaging in no-doubt disruptive and often obtuse debate. I can only hope that my colleagues will find it in their hearts to forgive me this failing; it is a demonstration of enthusiasm rather than, in any way, a sign of disrespect.

**Mr T.G. Stephens:** I don't see it as a failure at all.

**Mr P. PAPALIA:** I thank my colleague for his comment.

To the committee's principal research officer, Dr Jeannine Purdy, and research officer, Nici Burgess, I can do no more than once again acknowledge the value of their work to the state and thank them, too, for tolerating the antics of the new boy on the block.

Having made the appropriate acknowledgements, I would like to address the report very briefly. Refreshingly, the subject of this report is a success story in Indigenous initiatives. The family income management program appears to go some way towards tackling the challenge of moving Indigenous communities out of the cycle of poor financial management and the associated poverty and disadvantage. Sadly, I did not have the opportunity to witness at first hand the operation and success of the FIM initiative at Cape York. However, as is clearly and well reported in this document, this initiative appears to offer a blueprint for tackling the problem of educating our own Indigenous communities to understand the management of their finances. Cape York Partnerships claims, and my fellow committee colleagues have witnessed, that the FIM program assists in a wide-ranging number of fields as previously highlighted by the member for Dawesville. For me, the most notable success was the ability of the program to increase the sense of community well-being and safety through the interruption of the often entrenched and culturally-based practice of humbugging - again referred to earlier by the member for Dawesville. In my opinion, humbugging has evolved into nothing more than bludging off the work or diligence of relatives and fellow community members and it is worth trying to replicate any program that achieves a break from this inequitable practice.

As I stated earlier, my participation in the compilation of this report was limited, so I cannot contribute too much more to the discussion of its merits. I will, however, take this opportunity to particularly endorse finding 27 of the report which says -

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.

Since its inception, the Northern Territory intervention has struck me as rushed and lacking in consultation with the people most affected by the process. This perception is confirmed the longer the intervention proceeds. More and more commentators and observers have criticised the intervention. Most recently, on Tuesday morning I had a brief discussion with a widely respected national figure who has for decades been a tireless worker for the rights and betterment of our Indigenous communities. I will not name this gentleman as I have not sought his approval but I can say that he has bipartisan respect in politics and a proven track record in the field of Indigenous affairs. He, like many other commentators, told me that while the intervention had some good aspects, there were also a great many negative components. Like him, I urge the government and bureaucracy to take only the good parts of the commonwealth intervention as a potential model for our own efforts. And, in line with the comments in the report handed down today, I urge the government to view the family income management program as a far more inclusive and consultative approach to assisting financial management by Indigenous communities. I commend the report to the house.