



## **Financial counselling and Indigenous Australians: Unique aspects and concerns**

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### **Abstract**

Financial counselling is common in Australia. It focuses on assisting people who experience short term financial crises and aims to prevent those in the future. The goal of this counseling requires that the client remains independent and takes full control of his or her personal financial affairs. However, financial counseling has limits when assisting Indigenous Australians. The Australian financial counselling approach is individualistic in nature. Indigenous Australians, in contrast, often present with a collective perspective. Collectivistic values, including the sacrifice oneself for the in-group and placing group interests over individual interests, are contradictory to western individualism which focuses on the individual's rights and satisfaction. Consequently, the fundamentally individualistic perspective, indicative of a western approach, fails to recognize the importance of collectivistic values often held by Indigenous Australians. Such an approach undermines the value of financial counseling to this cultural group.

## Introduction

Financial counseling is a service for people facing difficulty in managing their money. Every state in Australia has a Commonwealth Financial Counselling (CFC) service funded by the Australian Government to assist people. Financial counseling can help clients manage short term financial crises and it also aims to prevent future ones. The goal is to help clients remain independent and take full control of their personal financial affairs through organizing their financial information, designing a personal budget, as well as suggesting ways to change their economic situation. Counsellors also assess clients' eligibility for government assistance, negotiate with creditors on their behalf, explain debt recovery procedures, explore bankruptcy and other alternatives. They also refer clients to other services, for example, problem gambler counselling services or community legal aid. Typical problems with which financial counsellor may assist clients include, financial over commitment, threatening letters or harassment by debt collectors, debt recovery procedures initiated through the courts, house eviction, the disconnection of utilities, accidents in uninsured cars, taxation debts and unpaid fines.

Along with financial counselling, the Australian Government provides financial support to families through emergency relief. Emergency Relief (ER) is the provision of financial assistance to those in financial crisis. ER can be for a "one off" event or to help with an ongoing financial problem. This assistance is usually provided in two ways. First, it is provided to meet an immediate need by financial aid or solid material aid, for example, cash assistance, assistance with utility bills, clothing, household goods, food hampers or food vouchers to be used in local grocery shops. Second, it assists people with advice or advocacy on their behalf to access other resources or services, for example legal aid or employment agency (WACOSS 2004).

Financial counselling is particularly focused on low-income groups who are experiencing personal financial difficulties. Such financial difficulties are often due to circumstances such as, unemployment, illness, credit over-commitment and family breakdown (FAHCSIA 2009). Emergency Relief is to support people who lack the money and resources to meet their basic needs. People who lack the money and resources will miss the opportunity of further education or training. This loss will restrict their choice of job and career development as a result. Limitations to such help arise in many areas including health care, education, employment, food and recreation. This set of limitations defines people in poverty (WACOSS 2004).

Within Australia, Indigenous Australians have higher levels of unemployment, single parent families, young people in low income households and people with disabilities, so that many are in poverty. Among Indigenous Australians, there are significantly high levels of joblessness, low levels of formal education, as well as poor health and inadequate housing (Fryer-Smith 2008). In the National ER Data Collection Project Report, Indigenous Australians were found to comprise 14% of all ER service users, an over-representation compared with the proportion of the total population of 1.6% (WACOSS 2004).

Various reasons contribute to a cycle of poverty. Society inequality makes it difficult for children raised in poverty to have the opportunity to access adequate education and life resources to break the vicious cycle (WACOSS 2004). Another contribution to the poverty cycle may be the inappropriate philosophy and westernised cultural values of financial counselling as it is currently applied in Australia.

High unemployment and financial difficulty are often the main problems for the majority of Indigenous Australians. Indigenous Australians often do not approach a financial counsellor, despite writs, letters of demand and bailiff action. As with many people on low incomes affected by credit problems, shame and embarrassment are the major reasons that deter Indigenous Australians from seeking help. However, there is more than this emotional factor which hinders Indigenous Australians from looking for assistance.

Indigenous Australians often drop out of counseling service because of conflict in setting goals. Most Indigenous clients are concerned more with fixing their immediate financial problems, such as paying off outstanding bills or re-connecting the power or water supply. In fact, a brief solution focus approach or the here-and-now approach is more appropriate for Indigenous Australians in order to handle immediate financial problems. Moreover, Indigenous clients also feel reluctant to be referred to other services under any mandatory arrangement. An atmosphere of suspicion is created when the referral services have predetermined goals for the clients. Goals

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established by referral services may not reflect the client's desire, especially when the counselors do not consider the basic status of clients, such as culture, gender or family structure.

Indigenous Australians often want to involve extended family networks in establishing their goals. Clients value working on problems and setting goals that take account of their family conditions. So in determining goals, it is necessary to consider environmental conditions such as family, racism and classism (Hepworth, Rooney & Larsen 2002). Fundamental Indigenous cultural values and traditions play a crucial role in determining the effectiveness of the Australian financial counselling approach.

### **Difference in Perspectives**

The basic principle of Emergency Relief fails to take into consideration the issue of cultural appropriateness for Indigenous Australians. Emergency Relief Provision is primarily based on a client-centred approach and the Australian financial counselling approach is individualistic in nature. Financial counsellors mainly focus on teaching clients to budget. Australian mainstream counseling services are based on the principles of western norms and ideology. These western principles are limited, as they fail to recognize and acknowledge all aspects of Indigenous Australians values (Pattel 2007). Moreover, Australian counselling approach has its root in the western ideology which promotes individual potential interest, concerns and personal growth (Duan & Wang 2000). This approach is not good enough for Indigenous Australians to tackle their financial difficulties, as it neglects to allow for the cultural and traditional values of Indigenous Australians. Indigenous Australians often present with a collective family perspective.

### **Kinship Structure and Collectivistic Value**

The kinship structure and collectivistic values of Indigenous Australians are contrary to the individualistic values of western society. Indigenous Australians depend not on the individualistic value of western ideology, but on the collectivistic value of their traditional kinship system. The collectivistic values include sacrifice of oneself for the in-group and placing group interests over those of individual, which is contrary to western individualism that focuses on the individual's rights and satisfaction. Thus, the fundamentally individualistic perspective, indicative of the western approach, fails to recognize the importance of collectivistic values held by Indigenous Australians (Fan 2008).

Indigenous Australians have strong kinship ties. The kinship structure has provided Indigenous people their identity in the tribe, a stable relationship and group cohesion (Fryer-Smith 2008). They have family and extended family commitments. As in traditional times, Indigenous people feel great obligation to their kinship ties and therefore share all resources communally. Westcombe (1991) stated that Indigenous Australians had the tradition of food sharing among the tribe. The unique social system of 'kinship' often underpins monetary value and circulation patterns in Aboriginal economies. A report by South Australia's Department of Community Welfare (DCW) in 1989 contains the following description of kinship systems in "An Aboriginal Perspective" by Veronica Brodie:

*"Aboriginal people have a system unlike non-Aboriginal people, which arises from kin, friends and the family structure."*

The increasing urbanisation of Indigenous Australians in response to economic opportunities has eroded some kinship ties. However, even in the cities, the kinship system continues to function to a great extent and the principle of kinship are still maintained today. The extended family unit will always come first over all other commitments if there is a crisis or even a slight problem. For example, an Indigenous woman may seek assistance for food vouchers because she currently has to look after a large number of her extended family members as well as her immediate family members. This phenomenon of sharing among Aboriginal people is virtually unknown to non-Aboriginal families who have a different attitude towards possessions. Sharing within the

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kinship structure permits not only family members to survive but also to overcome odds and crisis against them (Pattel 2007).

Family members play an important role in promoting each person's well-being and survival within the kin group. However, this can impede any upward social mobility by emphasizing the welfare of the extended family (WACOSS 2004). Low incomes combined with a communal system of shared obligations has the effect of causing hardship for all families concerned. Consequently, "budgeting is impossible" for Indigenous Australians (Westcombe 1991).

### **Traditional Economic Activity**

The following cultural issues may assist us to understand Indigenous Australians. In Sahlin's study of Indigenous Australians in a remote outback location in the 1960s, Indigenous Australians were noted to be satisfied with their current life as their needs were mostly met naturally. Their main activities were only animal hunting and fruit gathering. There were five main characteristics of their activities. Firstly, their average of 4 to 5 activity hours per day was enough for them. Secondly, they did not work regularly or continuously, as hunting and gathering have no regular pattern of activity schedule. Thirdly, their activity did not require them to be physically exhausted. They would not exhaust themselves when hunting or gathering. Fourthly, they spend most of their time resting. Finally, they did not exhaust the resources. They would stop hunting or fruit gathering once they had enough food. As a result, they did not have a pattern of saving. There are two reasons that led to make Indigenous Australians not developing a pattern of food saving. In tropical area, the food supply is easily available and plentiful. Even when the supply of food is finished, they had developed the pattern of shifting to another area for hunting and fruit gathering. Because of frequent moving and shifting, they developed the pattern of easy mobility and did not carry anything that was a burden to them. Moreover, in the tropical climate, meat and fruit perish easily, so that food preservation is difficult. Food saving required sophisticated techniques which Indigenous Australians did not find necessary to develop as the supply of food was comparatively plentiful (Sahlins 2000). This early primitive productive activity may be reflected in their current lack of saving and budgeting pattern nowadays. As the Government provides much assistance, it provides an environment where clients can access to sufficient resources to support their living. However, this continuous supply of assistance also discourages Indigenous Australians to develop a saving habit. The financial assistance provided by Australian Government creates an environment with a plentiful supply of resources for the clients. There is a common pattern of clients moving around different towns when they experience financial difficulties. They learn to follow the rules of not coming back to the same agency for emergency relief within a restricted period of time or after reaching an upper limit of assistance. They know where to ask for help and how to "shop" around different agencies. This explains their frequent house moving pattern in rural towns or between different suburbs in metropolitan cities. Moreover, this pattern of continuous moving also makes them not learn how to tackle their financial problem, but to merely leave it behind.

### **Aboriginal Language**

The origin of Aboriginal languages is speculated deriving from a common ancestral language, which is different from all other known languages. Aboriginal languages are characterised by precision, brevity and endeavour to express in minimal words. Approximately, about one-third of original Aboriginal languages are still using nowadays (Fryer-Smith 2008). In the 2006 Census, there were 12% of Indigenous Australians still spoke an Aboriginal language at home. For those living in geographically remote areas, fifty-six percent of Aboriginal people still spoke an Aboriginal language (Fryer-Smith 2008). Aboriginal language is still common among the Indigenous population.

Some Indigenous Australians may experience difficulty in understanding English especially in specifying numbers or time. For example, in Ngaanyatjarra dialect, this Aboriginal language has no formal system of quantification. Moreover, some Ngaanyatjarra words relating to time do not correspond to English words. Despite many Indigenous Australians are able to speak "Aboriginal English", there are few Aboriginal English speakers who are truly bi-culturally competent. These phenomena may explain the use of Aboriginal English may create significant communication problems and a risk of misunderstanding (Fryer-Smith 2008). Therefore, Indigenous Australians,

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either speak of Aboriginal language or Aboriginal English, may have a difficulty in throughout understanding of financial terms in modern English.

### **Western Terminology**

The process of financial counselling is to some extent based on a non-existent concept of "the future" for Indigenous Australians. This is rarely recognised or understood by non-Aboriginal people and institutions. Concepts such as 'interest', 'contract', 'warranties', 'redress', 'credit rating', are total alien to Aboriginal people. Moreover, most Aboriginal languages do not have the terms, such as hundred or thousand, but only use the term "many" to describe a huge quantity. Therefore, Aboriginal languages are not provided for in business transactions. Without consultation with Aboriginal people, it is impossible to know the extent to which their ideas and cultural arrangements are captured by English language usage (Westcombe 1991).

### **Concept of Household**

In order to provide a more culturally appropriate financial counselling to Indigenous Australians, there is a need to understand how Aboriginal households work financially. This enables us to pass on best financial practice in relation to their customary economy. Indigenous Australians have developed their culture and economy completely unlike the mainstream society around them. Standard definitions of 'household' may not apply to Indigenous Australians. Typical understanding of a discrete economic unit under one roof is different to the concept of an Indigenous Australian household. In Aboriginal society, family consists of direct family members, extended family members and even quite distant family members. Aboriginal households are likely to be multi-family households (Fryer-Smith 2008). Typically, an Aboriginal 'household' would involve several houses and extended families. It also involves a high level movement of people between houses, especially for children. In the Kuranda study, up to 42 persons were counted as sleeping in a three bedroom house. Money flowed between persons and between houses according to a set of customs and conventions that was completely unlike those to be found in the mainstream community around them (Sercombe 2008).

In providing financial counselling to Indigenous Australians, the conventional method of simply considering a single family income and the regular expenses for the household members does not work. Budgeting cannot apply to Indigenous Australian households as they may experience the need to look after their extended families and children unexpectedly. A typical situation of a sudden influx of many extended families and friends is during a period when someone has died and associated 'sorry times'. For instance, Indigenous Australians have mourning and funeral obligations. Attendance at the funeral of a family member, is essential for extended family members and friends. It is their custom to travel hundreds of kilometres to attend a funeral. They are expected to stay a while, for example a few weeks, with that family after the funeral. The sharing of money, housing and other resources with family is a responsibility and expectation. Not to do so is disrespectful and does not comply with their culture. A sudden influx of a large number of extended family members and friends will cause an immediate burden on food resources. It will also result in high utility bills because of huge consumption of power and water. In these circumstances, financial counselling from an individualistic approach to budgeting of a single household is not appropriate for Indigenous Australians. It totally neglects the culture and custom which contribute to the financial crisis of this group of clients. This also causes bias and negative attitudes towards those groups because the person-centred approach of Australian financial counseling holds each individual client responsible for his or her situation, but neglects the cultural background of Indigenous people.

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### **Conclusion**

Financial counselling should be based on the grass-roots and actual cultural practice in order to determine needs and to take appropriate action. A community education program in community languages could empower clients to understand. Moreover, as a financial counsellor or family counsellor, it is important to be cultural competent and sensitive so as to understand their client's values. Counsellors also need to explore their own values and aware of their cultural beliefs or biases, which may be incompatible with those of the minority ethnic groups. Cross-cultural counselling needs to focus on the social and cultural perspectives of the client groups. Furthermore, professional workers need to know where to get practical assistance for clients. Only assisting clients to budget will not work for Indigenous Australians who will turn to other services that can really assist them materially.

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