



# E-NEWS

## November 2008

### Edition 40

Indigenous Consumer Assistance Network LTD



## ICAN Update

The Commonwealth Bank Foundation sponsored, ICAN Indigenous Financial Counselling Mentorship Program began early this month with the employment of David Yorkston. David was born and raised on Thursday Island and has family connections to Badu. To find out more please read "ICAN Increasing Indigenous Employment" in this edition of the ICAN E-News.

ICAN attended the 7<sup>th</sup> Bankruptcy Congress in October 2008, hosted by the Australian Governments Insolvency and Trustee Services Australia (ITSA). Over 100 financial counsellors and advocates attended the 2 day forum, along with creditors, debt agreement administrators and consumer legal services.

Some of the hot issues that were debated were:

- Dealing with debt - Consumer debt and lending responsibilities
- Bankruptcy and Family law
- Proposed changes to credit file reporting
- Debt Agreements, ( or Part IX agreements under the Bankruptcy Act )

Read more about bankruptcy and debt agreements in this edition of the ICAN E-News.

the accredited qualification that will enable them to enter the industry.

The Program commenced last month with interviews for the Financial Counselor Trainee Position. Thursday Islander, David Yorkston was the successful candidate and commenced employment with ICAN on 3<sup>rd</sup> November 2008.

ICAN's Accredited Financial Counsellors will provide mentorship to David during the program. Carmen Daniels said, "I am confident that this workplace mentoring approach to financial counseling accreditation is going to be very successful, and that ICAN will be one of the first organisations to succeed in this. David is a real asset to the ICAN team and our clients, and his skills and sense of humour are a great addition to the growing organisation."

David will undertake the Diploma training at the ICAN office and will assist the team in client assistance and financial counseling case work. When asked why he wanted to work at ICAN, David said, "I first heard about ICAN and

## ICAN Increasing Indigenous Employment

ICAN is proud to announce the "Indigenous Financial Counseling Mentorship Program", an ongoing initiative to build the capacity of an Indigenous trainee through on the job training (Diploma of Community Services, Financial Counselling) and experience.

ICAN developed the program with the aim to increase the levels of Indigenous employment

within the financial counseling industry. The Program has three core objectives:

- To increase the numbers of Indigenous financial counselors in Australia.
- To strengthen the *Indigenous Consumer Assistance Network's* support services to Indigenous clients across the country.
- Increase skill level of Indigenous people through

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Indigenous Affairs



### DISCLAIMER

"The information set out in this newsletter is a summary of some issues you should consider as consumers. It is not comprehensive and it is not legal advice. You should contact a community legal centre or a solicitor for legal advice about your situation. You can also obtain further information from the offices referred to in this publication"



Isobel and David Yorkston at ICAN

their work when they visited the Torres Strait last year and came into the office I was working at on TI and met with staff. At that time we had a client that was having issues with a car dealer. We mentioned this to Aaron

and Robert and they had no hesitation in looking after this matter. After we had referred the matter to ICAN we heard back from the client that it had been resolved. This was a great outcome for the client who was

really happy. This was a really positive experience, so when a job came up to work at ICAN I wanted to be part of that."

"I am hoping to get a diploma in financial counselling through my work here at ICAN which I can use to assist community members that are faced with difficulties in the same way as they did with the client on TI. In my first week the other staff at ICAN have been great in making me feel at ease and I am excited to have started my new job here at ICAN."

The *ICAN Indigenous Financial Counselling Mentorship Program* is proudly sponsored by the *Commonwealth Bank of Australia (CBA)*, as part of their "Reconciliation Action Plan" (RAP) which endeavors to "increase employment of Indigenous Australians". To view the CBA RAP [click here](#).

## Bankruptcy and Debt Agreements

Many Indigenous consumers are feeling the pinch from being over their heads in debt. Credit cards, personal loans, mobile phone and Austar bills are just the tip of the ice-berg when it comes to the types of debts we can accumulate. The following article will discuss two options when these debts get too much.

Bankruptcy can sometimes be a real option for ICAN's financial counselling clients. It is one of several options that are available to ICAN clients who are experiencing financial hardship, and is generally the last option that is explored.

Many ICAN clients call us about Debt Agreements, which are known as Part IX (Nine) agreements. These are seen as an "alternative" to bankruptcy, and are advertised a lot on television, normally late at night and local newspapers. These arrangements involve a formal agreement

to pay back a reduced sum of the total amounts of their debts over a period of time, which can be up to 5 years.

Formal debt agreements like these can be useful for people who are earning a good income, and have assets such as a home mortgage, vehicle or boat and want to keep their assets.

For those on low incomes however, that are experiencing financial hardship, there is little to gain by entering into a debt agreement, in fact it can be detrimental to their circumstances. There is often up front fees that the agents will charge for their time that can cause further hardship.

ICAN recommends that any person considering entering into a debt agreement should seek free independent advice from a financial counsellor. You can call ICAN on 1300 369 878 to get this advice.