

Understanding Money Matters

A Credit & Debt Project for culturally and
linguistically diverse communities

Report on the first stage
October 2010

The logo for Redfern Legal Centre is centered on the page. It features a stylized, abstract design composed of several curved lines in shades of orange and light blue. The text "REDFERN" is written in a bold, black, sans-serif font, with "LEGAL CENTRE" in a smaller, black, sans-serif font directly below it. The entire logo is set against a background of faint, light blue lines that form a large, irregular frame around the central text.

REDFERN
LEGAL CENTRE

Acknowledgements

Ingrid van Tongeren and Brenda Staggs were the Redfern Legal Centre workers who conducted the project and wrote this report.

The project was supported by Marrickville Legal Centre.

The project was run with the assistance of NSW Fair Trading.



Published in October 2010 by:

Redfern Legal Centre

73 Pitt St Redfern NSW 2016

Ph 02 96987277

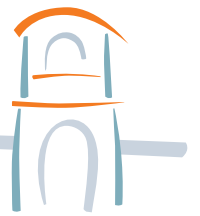
Email info@rlc.org.au

Web www.rlc.org.au

© Redfern Legal Centre 2010

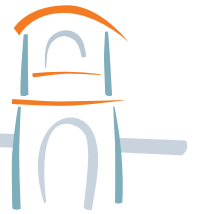
Non profit community organisations have permission to reproduce parts of this report as long as the original meaning is retained and Redfern Legal Centre is acknowledged.

An electronic copy of this report is available online at Redfern Legal Centre's website www.rlc.org.au



Contents

Introduction	5
Executive summary	6
Project overview	8
Redfern Legal Centre	8
Aims of the project	8
Objectives of the project	8
Strategies used in the project	9
Demographics of the Marrickville Local Government Area	9
Report on the project	12
Case studies	12
Establishment of networks and contacts in the Marrickville LGA	12
Identification of the main credit & debt legal issues for the CALD communities	12
Provision of community legal education	15
Provision of additional advice and casework services	16
Redfern Legal Centre advice and casework	16
Marrickville Legal Centre advice and casework	17
Issues identified by the project	20
Need for early intervention	20
Importance of personal networks	21
Identification of credit and debt matters as legal issues	23
Complex nature of credit and debt and other legal/non legal issues	24
Main credit and debt matters dealt with by the advice and casework services	27
Summary of project findings	30
Recommendations	31
References	32



Introduction

Redfern Legal Centre acknowledges that we work on Aboriginal land, traditionally the home of the Cadigal people of the Eora nation.

In 2008 Redfern Legal Centre (RLC) applied to NSW Fair Trading for an increased grant to allow it to target debt and credit legal services to Culturally and Linguistically Diverse background (CALD) consumers in its catchment area and extending into the Marrickville Local Government Area (Marrickville LGA). The extra funding was granted in mid 2009.

It was decided to proceed with the project in a staged approach. This allowed for the establishment of a relationship with CALD communities; the delivery of community legal education to assist people in CALD communities to identify money problems as legal problems; and to train CALD community workers to identify credit and debt legal issues and make appropriate referrals.

The RLC solicitors who established the community relationships and delivered the community education undertook some advice and casework. Project funds were also provided to Marrickville Legal Centre (MLC) to provide additional credit and debt advice and casework services to assist in meeting the expected increase in demand as a result of the project.

The first stage was completed in June 2010. It was very successful and RLC thanks and commends NSW Fair Trading for funding the project.

Executive summary

From August 2009 to June 2010, RLC undertook a community legal education pilot project about credit and debt in the Marrickville LGA targeting the CALD communities of that municipality.

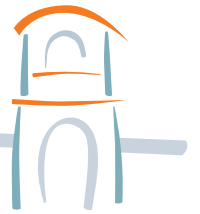
The objectives of the project were to:

1. Identify unmet credit and debt legal advice and advocacy needs in the CALD communities of the Marrickville LGA.
2. Establish pathways for people in those communities to get legal information, advice and advocacy on credit and debt issues.

The main outcomes of the project were the development of strong links with CALD communities in the Marrickville LGA, community legal education on credit and debt for members of CALD communities and community workers, and a significant increase in demand for credit and debt legal advice.

The findings from the first stage of the project can be briefly summarised as follows: -

1. Members of the CALD community and those who work with them do not necessarily identify credit and debt problems as legal problems.
2. Most members of the CALD community who sought legal advice did not have a single, neat credit and debt legal issue.
3. There is a need for credit and debt legal information and advice services that is far greater than the ability of any service provider to meet.
4. The best way to contact CALD communities, particularly the most disadvantaged members of those communities, is to provide community legal education to local agency workers who work with these communities in non legal contexts, and to engage with CALD community members through targeted contact events within networks and events that exist for more general purposes.
5. Community legal education and contact events that focus on early intervention, prevention and education must be backed up by the provision of advice and casework services.
6. Referrals between agency workers, and legal centre staff who have had previous contact and so "know" each other works particularly well as it facilitates referrals for service delivery in a way that meets the needs of the CALD community.
7. Developing familiarity and trust with community members and community workers are vital to ensure that the legal needs of the most disadvantaged members of the community are met.



The recommendations from the first stage of the project are:

1. That the model developed in this project (involving community engagement, training for community workers, and legal advice and casework services) be recognised as “best practice” for delivering credit and debt legal services to disadvantaged CALD communities.
Continuing rather than one off delivery is essential for the success of the model. Once established, relationships with CALD communities need to be maintained to account for changes in staff, people moving in and out of an area, and people moving to different life stages.
2. That programs for credit and debt legal services be rolled out in other areas of NSW with significant CALD communities, using a similar model to the one developed in this project. It is noted that the model would need to be used flexibly and tailored for the needs of each area.
3. That government and non-government agencies consider using radio and television in community languages to communicate credit and debt legal information to CALD communities, in addition to print and online material for community workers.
4. That RLC should maintain relationships with the various agencies in the Marrickville LGA that provide services to the CALD communities to ensure their ongoing access to credit and debt legal information and advice.
5. That RLC should expand this project into the RLC catchment areas – City of Sydney, Leichhardt and Botany Bay Local Government areas.
6. That RLC should look for opportunities for extra funding to expand the project to other local government areas serviced by Marrickville Legal Centre – Ashfield, Bankstown, Burwood, Canada Bay, Canterbury, Hurstville, Kogarah and Rockdale.
7. That RLC should undertake systemic advocacy and test cases aimed at protecting CALD consumers and preventing credit and debt problems in CALD communities.
8. That RLC should consider using radio to communicate with CALD communities about credit and debt. It should also consider producing very simple written credit and debt material in community languages.

Project overview

From August 2009 to June 2010, RLC undertook a community legal education pilot project about credit and debt in the Marrickville LGA targeting the CALD communities of that municipality.

Before starting the pilot project, RLC identified that local agencies would need to be engaged to establish practical pathways for people to seek assistance in the future. To achieve this, RLC sought involvement from Marrickville Legal Centre (MLC).

Redfern Legal Centre

RLC is an independent, non-profit community legal centre dedicated to promoting social justice and human rights. To this end, it offers free legal advice, referral and casework to disadvantaged people and the groups that advocate for them. It also offers community legal education. RLC advocates for the reform of inequalities in laws, the legal system, administrative practices and society as a whole.

RLC provides a general legal service. It also has specialist services such as a credit & debt legal service, a tenancy service and a Womens Domestic Violence Court Advocacy Service. As a generalist community legal centre providing services to a population experiencing overlapping causes of social and economic disadvantage, RLC has for many years identified economic rights as important in the attainment of a just society.

RLC advises people or groups who live or are based in the Botany Bay, City of Sydney and Leichhardt LGAs (the RLC catchment area). Overall, 35% of RLC's clients are from CALD backgrounds (coming from over 77 different countries) and 9.6% of RLC's clients identify as Aboriginal or Torres Strait Islanders (ATSI)¹.

Aim of the project

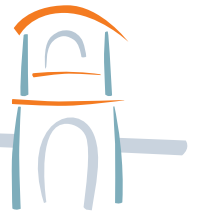
To address financial stress in Marrickville LGA CALD communities caused by credit and debt problems.

Objectives of the project

The objectives of the project were to:

1. Identify unmet credit and debt legal advice and advocacy needs in the CALD communities of the Marrickville LGA.
2. Establish pathways for people in those communities to get legal information, advice and advocacy on credit and debt issues.

¹ Redfern Legal Centre website, <http://www.rlc.org.au/about-us.html> accessed 11 June 2010



Strategies used in the project

The following strategies were implemented in the course of the project:

1. Establish networks and contacts with agencies that provide legal and non-legal services to the CALD communities in Marrickville LGA.
2. Identify the main credit & debt legal issues for the various CALD communities in that area.
3. Develop and provide tailored community legal education on the identified credit and debt legal issues to members of the various CALD communities.
4. Develop and provide tailored community legal education on the identified credit and debt legal issues to workers in non-legal agencies who have regular contact with CALD communities. The education sessions were planned to focus on workers who help the most disadvantaged members of CALD communities such as older people, people with disabilities, young people and members of new and emerging communities.
5. Provide additional advice and casework services to cater for the increased demand for legal services in the area of credit and debt in the Marrickville LGA as a result of the project.

Demographics of the Marrickville LGA

The Marrickville LGA is between 4 and 10 kilometres south-west of the city centre. It is bounded by Leichhardt to the north, the City of Sydney to the east and north-east, the City of Botany Bay to the south-east, Rockdale to the south, Canterbury to the west, and Ashfield to the north-west. It comprises the suburbs of Dulwich Hill, Enmore, Lewisham, Marrickville, Petersham, St Peters, Stanmore, Sydenham and Tempe. In addition, parts of the suburbs of Camperdown and Newtown are located in the Marrickville LGA.

For over 50 years the Marrickville LGA has been a staging point for migrants in Australia with waves of new arrivals settling in the area. As a result, it has an ethnic and culturally diverse population of approximately 75,000 residents with people from more than 100 different cultures, speaking more than 70 languages². As it is close to the inner city, more recently it has experienced a level of gentrification. The statistics available for the area show increased numbers of employed and educated people in the community, which can mask existing economic and social disadvantage. The number of people who remain disadvantaged in the community and who require assistance has not changed.

The changing demographics may mean that in the future the nature of the credit and debt issues in the area may change. For example, there may be more mortgage problems.

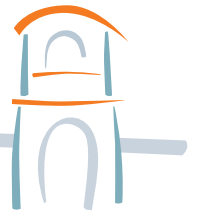
² Marrickville Council Website, <http://www.marrickville.nsw.gov.au/council.htm> accessed 24 June 2010

The following information on the Marrickville LGA is from the 2006 census and the Marrickville Community Portrait 2006 ³.

1. The total population of the area was 71,812 people, 36,308 females and 35,504 males. This represents a decrease of 1,314 people being 1.8% since the 2001 Census ⁴. The pre-Census estimate of the Marrickville LGA population as at 30 June 2006 was 75,525 residents. This corresponds to an estimated 95% Census completion rate, and equates with the ratio between the pre-Census population estimate and the actual numbers recorded in the 2001 census.
2. The median age of all people in the Marrickville LGA was 35 years, which was virtually the same as the Sydney median and 1 year older than in 2001. Marrickville LGA's population overall is ageing with the age groups of 40 to 54 and 55 to 69 both increasing by 0.8% as a proportion of the total population. This in turn was offset by a 1.1% reduction in the age group of 18 to 24 and a reduction of 0.7% in the age group of 5 to 11.
3. Education is a strong determinant of income and social status. Using highest school year completed and tertiary qualifications as the criterion, 64% of residents aged 15+ had completed year 12, whilst 62% of residents stated that they had some form of tertiary qualification. This data is skewed by age as greater percentages of younger people have completed year 12 and/or have tertiary qualifications, for example in the 25-34 age group 76% completed year 12. Of the 2.8% or 1,529 of residents who did not attend school, all but 4 of them are aged over 55, with the vast majority of them being aged over 65.
4. Average incomes for the Marrickville LGA from all sources for adults aged 15+ was around \$769 a week. The average income for women was \$700 a week whilst the average income for men was around \$841 (or 20% higher than the average income for women in the same area). Income includes wages, government benefits, superannuation and dividends. There are geographic concentrations of low-income households within the municipality. These have not changed since 2001.
5. In 2006, Marrickville LGA had 1,078 Indigenous residents, with 1,018 identifying as Aboriginal, 50 identifying as Torres Strait Islanders and 10 identifying as both. People identifying as ATSI therefore constituted 1.5% of the residents, compared with 1.1% of Sydney residents. The median age of ATSI residents was 27 years compared to a median age of 35 for residents of the LGA overall. RLC considers that the Census data for the ATSI population may be unreliable, as it appears not to reflect the number of Indigenous people who local agencies are aware of in the community. This may be for a number of reasons such as lack of participation and compliance with census forms, but may also reflect other factors.

³ Australian Bureau of Statistics, *Census 2006, National Regional Profile: Marrickville*; Marrickville Council, *Marrickville Community Portrait 2006*, Prepared for Marrickville Council by The Public Practice Pty Ltd (2007)

⁴ Comparison with the 2001 census is difficult because some district boundaries have been changed. We also note that both pre-census estimates and reporting rates do not usually accurately describe disadvantaged populations (such as homeless or Indigenous persons).



6. Of Marrickville LGA residents, 34% were born overseas, with 2,613 or 3.6% of residents being from Greece, 2,388 or 3.3% from Vietnam, 1,341 or 1.9% from China and 869 or 1.2% of residents from Lebanon.
7. Overall, for all people speaking a language other than English at home, the response rate of “Not well or Not at all” for English proficiency was 21% with a further 0.7% representing residents where the English proficiency was not stated.
8. The five main non-English languages spoken in the Marrickville LGA are Greek (6.4% of residents), Vietnamese (3.3% or 2,388 residents), Arabic (2.9% or 2,065 residents), Portuguese (2.4% or 1,750 residents) and Cantonese (2.0% or 1,437 residents). The percentage of people who speak English either “Not Well or Not at All” is heavily skewed towards older residents, with increasingly higher percentages being found for each age group over the age of 45.
9. There are also a number of other significant CALD communities that exist within the Marrickville LGA. The next five main languages spoken include Italian (1.8% or 1,305 residents), Mandarin (1.6% or 1,155 residents), Spanish (1.3% or 961 residents), Macedonian (0.7% or 502 residents) and Indonesian (0.7% or 501 residents). As with the five most common languages spoken, a number of these communities have the percentage of people who speak English either “Not Well or Not at All” heavily skewed towards the older residents.
10. There are other established smaller CALD communities in the Marrickville LGA, while new communities are emerging. These include residents from the following linguistic backgrounds: - Arabic (from countries other than Lebanon), Tamil, Samoan, Tongan, Hindi, Bengali, Urdu, Danish, Filipino, Thai, Khmer, Turkish, Farsi, Somali, Laotian and Nepali.
11. The 2006 census pre-dated the South-East Asia tsunami crisis. It is not possible to say if that crisis led to higher influxes of affected people from that region. It is also not possible to measure the needs of new and emerging communities who have arrived as refugees over the last 4 years.

Report on the project

Case studies

The case studies used in this report are brief summaries of real cases encountered in the course of the project. Names and cultural identities have been changed to protect privacy.

Establishment of networks and contacts in the Marrickville LGA

During the project, contact was made with 50 organisations, all of which provide services to CALD communities in Marrickville LGA. Some agencies work with specific age groups within a CALD community such as older people or young people.

Relevant community organisations were identified in a range of ways:

- using the Marrickville Council's Community Directory⁵
- from referrals provided by workers from the various agencies that the project workers had contact with throughout the project
- through the two community legal education events on credit and debt issues held by Marrickville Legal Centre (MLC)
- through attendance at Marrickville Council multi-cultural inter-agency forum and other Council sponsored events. Over the course of the project eight such meetings or events were attended by the project workers.

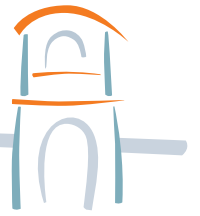
Identification of the main credit & debt legal issues for the CALD communities

In order to identify the main credit and debt legal issues in the CALD communities RLC talked with workers within each agency. To ensure consistency agency workers were asked to answer "Yes" or "No" to a list of questions designed to identify the main credit and debt legal issues that faced their clients, even if the workers or the clients themselves did not realise or identify these issues as being legal or even credit and debt issues. Of the 50 agencies contacted, 44 were willing to answer our questions.

In turn the agencies were given information about the project and contact details for the RLC project workers, and encouraged to make contact if they had enquiries or to refer their clients. They were also given contact details and brochures for MLC and advised that additional credit and debt legal advice services were being made available there.

All of the agencies stated that they were pleased to have personal contacts within RLC as it gave them a legal service they could call with any queries. The agencies that provided significant input seemed very keen to actively support the project and to facilitate training for their workers and community legal education for members of CALD communities.

⁵ Marrickville Council website, <http://www.marrickville.nsw.gov.au/community/directory.htm> accessed 17 August 2009



Of the 44 agencies that provided input, 22 agencies provided significant detail about the credit and debt issues faced by their clients.

The issues of most concern that emerged were:

- loans (particularly general loans and loans to family members and friends)
- guarantees
- consumer contracts (utilities, phones, cell phones & internet providers)
- over commitment
- mortgage stress
- consumer credit issues (especially credit cards)
- fines & the State Debt Recovery Office (SDRO)
- debt from relationships
- debt from unexpected changes in circumstances
- debt from motor vehicle accidents
- debt from rent arrears.

Case Study 1: Aleksandar

Aleksandar has limited English and a mental illness. His only income is Centrelink payments. Aleksandar received a notice that the Roads and Traffic Authority (RTA) had suspended his driver's license for the non-payment of fines. The total amount of outstanding fines was more than \$1000. Aleksandar told us that the parking fines had been issued after he had sold the car to his sister, Elena, and that his sister's son Nik had incurred the fines. He had tried to resolve the matter himself but had not been successful. Aleksandar was told that he would have to go to the Local Court and make an annulment application. That would have been a very difficult experience. An additional problem was that Aleksandar had not registered the sale of the car with the RTA, an offence under NSW law.

The nature of the issues raised by the agencies as those of most concern were consistently more divided by age groups than by CALD background.

The main issues for the older age groups were:

- loans, particularly to family members
- low document/no document/high cost/'reverse mortgage' loans taken out in their name or against their home to assist family members or others in the community
- guarantees (for family members or others in the community)
- consumer contracts (utilities)
- rent arrears.

These issues were often interconnected. A common pattern in the legal advice and casework during the project was that older people lent money to family members or guaranteed a loan, which often was not repaid, and they had to meet that

commitment when the family member defaulted. This in turn led to less money for other needs, utilities or rent so they accrued other debts or rent arrears. Overall, these situations were identified by the agencies as being of common concern across the older age groups from the various CALD communities.

Case Study 2: Irene

Irene is a widow and loving grandmother to her many grandchildren who visit her often. She owns her home and had some savings but her only income is the Age Pension. Almost 2 years ago Nick, her grandson then aged 19 got his first job and wanted a car. When he went to get a loan the dealer told him that he did not earn enough to get the loan by himself and that he needed a guarantor for the loan. Nick asked his grandmother, Irene to help him. She agreed. She cannot speak English very well and cannot read English. She vaguely remembers signing something for her grandson but did not know what it was or what it meant.

Over a year ago when Nick lost his job he stopped making the car loan payments. Irene received a letter that she could not read. She showed it to her grandson. He told her that he couldn't pay and if she didn't pay they could take her house. Irene was very upset. She did not want to tell anyone about it. Since then she has been paying the loan as she is scared that she will lose the home that she has lived in for over 40 years. She has exhausted the small amount of money that she had saved and now struggles to pay her other bills. She has now accrued a number of other small debts which she cannot afford to pay.

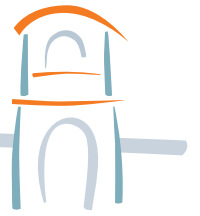
The main areas raised by the agencies for younger people were:

- over commitment
- credit cards
- consumer contacts (mobile phones and internet providers)
- fines & the SDRO
- debt/court proceedings arising from motor vehicle accidents.

Case Study 3: Ling

Ling had three credit cards and had been having trouble paying them off. She was juggling two casual jobs but had not been getting many shifts from one of them. She also lent a friend some money as he said he had to help a sick relative back home, but he did not repay the money. She was regularly over the limit on the cards and was getting called regularly by the different banks demanding repayments. Ling tried to make repayments but with all the late fees being charged she was getting nowhere. In the end she decided to stop paying one of the cards and concentrate on trying to pay the other two.

At first, the bank that issued the card she was not making payments on was ringing all the time, but then she heard nothing for a while and so forgot about it. A few



months ago Ling was contacted by a debt collector. The debt collector said she had to pay the whole debt for the credit card within the next week or she would be taken to court. The debt collector told Ling that they could take everything that she had. He also told her that she could go to jail for 5 years and that the Department of Immigration would hear about it and it would go badly for her and her family. Ling was terrified of what would happen to her and to her family.

The main issues of concern for those in the mid range age groups were:

- mortgage stress
- over commitment
- debt or financial difficulties caused by an unexpected change in circumstances
- relationship debt.

Case Study 4: Isabel

Isabel is the mother of three children. Her youngest son Javier was diagnosed with a severe spinal disease which meant that she had to stop working to be his full time carer. Her marriage ended in 2008. Alberto, her husband was a gambler and he ran up substantial debts including credit card debts with various banks during the marriage. As a consequence property and assets acquired during the course of the 17-year marriage were lost. Isabel was being pursued for substantial debts and the family home was at risk of foreclosure. Alberto had moved interstate.

Provision of community legal education

Based on the input from the agencies, separate contact events were planned for members of the CALD community and the workers in agencies that assisted CALD communities.

Contact events for workers were marketed as community legal education. Contact events for the community members were not done as stand alone events, nor advertised as legal education events. Rather, the approach taken was to engage with the community at functions or clubs or events that were already well established. For example, project workers were guest speakers at regular events targeting a CALD community such as elderly people's lunch clubs, or women's or young people's get together events or general community events or fetes.

People with credit and debt problems were made aware that their concerns were legal issues and not just "money shortages" or "family issues". They were encouraged to do something constructive about their problem rather than leaving them.

In addition, people could also be given some pointers to help avoid problems in the future.

Overall the project conducted 12 contact events targeted at the most disadvantaged members of the CALD communities, including older people, the people with disabilities, young people and members of new and emerging communities, and the agencies that work with them. Attendance at the events ranged from 5 to 24 people, with an average attendance of 14.

During the contact events RLC also promoted the additional legal advice and casework service on credit and debt issues for the CALD community that RLC had arranged to be available at MLC during the project. Alongside promoting the additional service, MLC service leaflets were widely distributed at these events so that participants could access the project services. In addition, a small number of urgent casework matters, which came to light as a result of questions at the contact events, were booked for an appointment with, and subsequently taken on directly by, the RLC project workers.

More general legal queries from attendees were referred to MLC for advice and assistance. Examples of such referrals were enquires made on behalf of others in the community who were not present themselves, general enquires where the person was not sure of the nature of their query and did not have their documents, and matters which were not urgent.

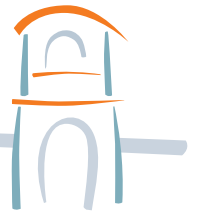
It should be noted that feedback from the agency workers suggests some people attending events did not want other attendees from the same CALD background, and with whom they are often well acquainted, to know that they or a member of their family might have a "money problem", "family issue", credit and debt issue or legal problem.

Provision of additional advice and casework services

27 different CALD communities were directly reached during the course of the project. These included groups who speak the five most common community languages in the Marrickville LGA - Greek, Vietnamese, Arabic (mainly people from Lebanon & Sudan), Portuguese and Cantonese. The other CALD communities involved in the project were from the following linguistic backgrounds - Italian, Tamil, Mandarin, Danish, Samoan, Tongan, Hindi, Macedonian, Bengali, Urdu, Spanish, Indonesian, French speakers (from African countries) Filipino, Tagalog, Thai, Turkish, Farsi, Somali, Lao and Nepali.

Redfern Legal Centre advice and casework

The advice and casework statistics of the matters handled by the RLC project workers show that a total of 30 people were advised directly by the RLC project workers during the course of the project. Clients were from Bangladesh, Brazil, Chile, China, Fiji, Laos, Nepal, Pakistan, Togo and Vietnam. Of these, 70% or 23 people had English proficiency of "Not well or not at all". Of the 23 people who had limited or no English proficiency, 4 people spoke Nepali, 3 people spoke respectively Spanish, Mandarin and French (being those people from Togo in Africa), 2 people spoke Bengali, Cantonese, Lao, Urdu or Vietnamese.



As the matters taken on directly by the RLC project workers were usually as a result of urgent matters which came to light as a result of advice sought by attendees at contact events, and which often proved to be complex matters, 100% of those assisted by the RLC project workers had multiple credit and debt legal issues. Between them these 30 people had 71 separate credit and debt matter types. It is therefore not surprising that 80% of these matters required more than 20 casework hours each by the end of the project.

Case Study 5: Carlos

Carlos had been working for the same boss since he arrived in Australia. Over a year ago his boss had financial difficulties and shut down his business. Carlos does not speak or read or write English well. He did study at TAFE when he arrived so as to have his trade qualifications recognised but that was over 10 years ago. His boss and the other two men who worked there were all from the same country and communicated in their native language. Without a sufficient level of English skills Carlos had problems getting another job. He went onto a Centrelink benefit and gets some casual work from time to time from friends in the community, but it isn't enough to make ends meet for his family. His wife is unable to work as she is unwell. When Carlos lost his job, he had a car loan and a number of credit cards.

Nine months ago he had also had a bad car accident which he stated was his fault. The other car was a write off. He had not renewed his property damage insurance that had expired 2 months after he lost his job. He has had to spend up to his limit on all his credit cards just to keep up with his living expenses and the rent on his home. He also had to borrow from friends and family and is embarrassed that he cannot pay them back. He received a letter from an insurance company saying that he needed to pay \$11,288 in damages as a result of the car accident. He ignored the letter as without a job he had no capacity to pay.

He knows he also has some unpaid fines but is not sure what stage they are at or if the SDRO has placed any sanctions on his registration or licence. He stated that often he did not even open his mail anymore and when he did he couldn't understand it. He is behind in the rent and is getting phone calls from the agent. He has just received a letter from the electricity company threatening to cut off the power if he does not pay.

On top of that, he has recently been contacted by a debt collector about an outstanding debt of \$1,300 from an old mobile phone he had for his daughter. The debt collector told him that he must pay back all the money owing straight away and that if he doesn't do this someone will be coming around to take everything in his house.

Marrickville Legal Centre advice and casework

The advice and case work statistics of the matters handled by MLC between 1 July 2009 to 30 June 2010 show that MLC gave credit and debt advice on 579 occasions (on 54% of these occasions the person receiving the advice was from a CALD background). In the previous year, 1 July 2008 to 30 June 2009, MLC gave credit and

debt advice on 196 occasions (on 45% of these occasions the person in receipt of the advice was from a CALD background). This shows an increase of approximately 200% in credit and debt advice being given by MLC during the project. If the overall figures are adjusted to exclude all of the Australian born, the increase in numbers is from 122 in the period 1 July 2008 to 30 June 2009 to 387 in the period 1 July 2009 to 30 June 2010. This represents an increase of 192.6%.

This dramatic increase in credit and debt advice and casework numbers, particularly in that given to members of the CALD community, clearly demonstrates that people took action as a result of this project's community contacts and community legal education events ⁶.

The 579 MLC clients were from 58 different countries, representing 36 languages spoken. The main countries of origin were China (8%), Vietnam (6%), Greece (5%), India (4%), Bangladesh (3%), Ecuador (3%), Fiji (3%), Former Yugoslavia (3%), Lebanon (3%), Italy (2%), the Philippines (2%) and Indonesia (0.6%). The main languages spoken were Arabic (6%), Vietnamese (6%), Mandarin (6%), Spanish (5.5%), Greek (4.5%), Hindi (3.8%), Macedonian (2.6%), Cantonese (2.6%), Tagalog (1.9%) and Bengali (1.7%).

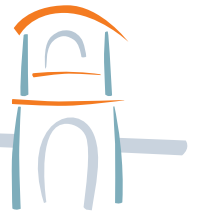
The 579 people given advice had 616 credit and debt matter types between them. 91.2% were dealt with through the provision of advice and minor follow up assistance. The remaining 9.8% (57 people) had their matters taken on for ongoing casework assistance, with 15 people requiring more than 20 casework hours each by the end of the project.

Case Study 6: Yi Xie

Yi Xie received a penalty enforcement order from the SDRO for a court imposed fine of almost \$1000. Yi Xie is a 28-year old man who speaks little English. He had previously received a summons to attend the Local Court as a defendant in a minor criminal matter. When he attended court on the hearing date NSW Police recognised that he was not the person who had allegedly committed the offence. NSW Police had arrested another person with the same name as our client. Yi Xie had limited understanding of what occurred during the hearing but he left believing that the Court had dismissed the matter. However, over 6 months later he received a penalty enforcement order. Enquires made in relation to the penalty enforcement order had revealed that his records from the Local Court indicated that he had been convicted of the offence.

The combined RLC and MLC advice and casework statistics show that 59% of all matters concerned credit and debt owed by the client, with a further 28.7% being credit and debt owed to the client. Of the remaining 12.2%, 4.5% of the credit and debt matters were about bankruptcy, and the rest were about debt recovery in the courts, consumer credit, debt collection and privacy.

⁶ The sample does not include all persons who may have sought legal services as a result of the community legal education project being the increase at MLC alone.



Case Study 7: Rashida

Rashida is a 77 year old pensioner and English is her second language. Rashida received a writ for the levy of property. The writ was in relation to the enforcement of an unpaid judgment debt against her by a car hire company. The default judgment debt apparently arose from the cost of the hire of a replacement vehicle whilst Rashida's car was being repaired following a motor vehicle accident in 2005. The other driver was at fault. Both Rashida and the other driver were insured by the same insurance company. The insurer met the claim for the repairs to Rashida's vehicle.

The insurer's authorised car repairer told Rashida that she would not have to pay for a replacement vehicle from a particular car rental company. As a result, Rashida rented a vehicle from that car rental company and signed a Deed of Assignment with the car hire company for the cost of the car rental. Rashida understood that the car hire company would then pursue the other driver's insurer for the cost of the car rental. Understandably, Rashida was very distressed to receive the writ for the levy of property and notice that the sheriff would attend her home and take her possessions in satisfaction of the judgment debt some years since the accident. Rashida was fortunate as she had kept the copy of the Deed of Assignment. It transpired that Rashida was one of possibly several thousand people who faced legal action for debts arising from similar circumstances, after the arrangement that had existed between the car hire company and the insurer ceased.

A further examination of the combined RLC and MLC advice and casework statistics shows that of those people seen:

- 1.3% were aged between 12 and 17 (the youngest being 16),
- 15.2% were aged between 18 and 25,
- 20.5% were aged between 25 and 39,
- 23.2% were aged between 40 and 54,
- 24.2% were aged between 55 and 69, and the remaining
- 15.6% were aged over 70.

The most recent life stages data available for the Marrickville LGA shows that 4.6% were aged between 12 and 17, 9.7% were aged between 18 and 25, 32.6% were aged between 25 and 39, 21.9% were aged between 40 and 54, 12.2% were aged between 55 and 69, and 7.3% were aged over 70.⁷

A comparison between the census figures and the combined MLC and RLC advice and casework figures shows that a higher proportion of the population of younger people (aged 18 to 25), older people (aged between 55 and 69) and elderly people (aged over 70) have credit and debt problems compared to the mid life age groups.

⁷ Australian Bureau of Statistics, *op cit*; Marrickville Council, *op cit*, p4

Case Study 8: Taamir

Taamir is 20. Eighteen months ago he was driving his car to visit a friend when he had an accident. He exchanged details with the other driver. Taamir didn't have any property damage insurance as he had only been able to afford to pay the green slip and register the car.

About a year ago Taamir received a demand for \$5,845 from an insurance company for the accident. As there was no way he could pay the money he ignored the letter. He remembers that about 6 months ago he also got some other papers although he can't remember what they were and he doesn't know what he did with them. The other day a man in a blue uniform from the Sheriff's Office of NSW came to his place. He gave Taamir a piece of paper, which he could not understand. Taamir told him that he doesn't know what it is all about. The man said he will come back with the intention of identifying Taamir's property so that it can be seized and sold to satisfy the debt. He told Taamir to get some advice urgently. Taamir's parents are very upset as they do not know what is happening.

Issues identified by the project

The need for early intervention

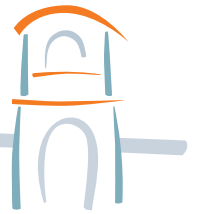
The provision of community legal education and contact events such as those undertaken during the course of the project serve multiple functions. They enable workers and CALD community members to identify credit and debt problems, and learn some preventative strategies. They also lead to people being more likely to willingly seeking assistance at an earlier stage in the life of their credit and debt issues.

The 2009 Access to Justice Taskforce recommends:

Early intervention will prevent legal problems from occurring and escalating. In many situations, early action can resolve a matter or identify the best course of action. However, if a person does nothing – which often happens when there is not enough assistance available or it is not clear to a person where to turn for help – it can be much harder and more costly to rectify the problem. Failure to address legal problems has been shown to lead to entrenched disadvantage.⁸

The number of urgent casework matters which involved multiple issues that were taken on during the course of the project illustrates that there are significant problems caused by people seeking legal advice too late. This often leads to advice that it is too late to do anything constructive, or to the need for a great number of casework hours to resolve the matters. The resolution is often significantly less satisfactory than that which could have been achieved with early intervention.

⁸ Attorney General's Department website, *A Strategic Framework for Access to Justice in the Federal Civil System*, (2009) at http://www.ag.gov.au/www/agd/agd.nsf/Page/Publications_AStrategicFrameworkforAccesstoJusticeintheFederalCivilJusticeSystem accessed 18 June 2010



Early intervention is vital as it is well established that there is both a causal and consequential relationship between credit and debt problems and financial disadvantage and social exclusion. Evidence from Australia, New Zealand and the United Kingdom clearly shows that people have a higher level of legal need in relation to credit and debt problems than they do in relation to legal problems overall, and that small credit and debt legal issues that are left can easily turn into large problems ⁹.

The importance of personal networks

In the evaluations of the community legal education and contact events it emerged that lack of personal contacts through other members of the community or workers who were known and trusted by the community had been a barrier to people from a CALD background seeking assistance at an early stage or at all.

Many of the CALD attendees who asked questions, or had credit and debt issues, had not sought legal advice from a legal source. Instead, they had raised it with an agency worker, if at all. They stated that this was because they were reluctant to contact an agency that they, or their family or friends, or a trusted community member, was not familiar with.

There is no available Australian research on the extent to which, and why, people with legal issues choose one entry point over another. The 2009 Access to Justice Taskforce Report ¹⁰ draws conclusions from the legal needs study conducted by the Law and Justice Foundation of NSW in 2003 which found that 74.4% of people who seek help for a legal problem turn first to non-legal sources for assistance. with only 25.6% of people first going to a legal source for legal assistance. Overall 78% of people only access one source for assistance. ¹¹

CALD community members, particularly those from the most disadvantaged group in those communities, overwhelmingly turn to non-legal sources for advice and assistance. They access the agencies they are familiar with and where they can deal with someone from the same background.

The reason the project was so successful in channeling its contacts and contact events into follow up advice from both the RLC project workers and the additional services made available at MLC was because it made connections with community workers in non legal agencies who have the closest regular contact with the most disadvantaged members of the CALD communities. Without personal networks

⁹ *ibid* (Australia); Legal Services Agency website, *Technical Paper: Defining Legal Need and Unmet Legal Need, 2006 National Survey*, at www.lsa.govt.nz/documents/Defining.pdf (2006) accessed 2 July 2010 (New Zealand); Pleasence, P, Buck, A Balmer, N & Williams, K, *A Helping Hand: The impact of Debt Advice on People's Lives*, LSRC Research Paper No 15. (2007) at <http://www.lsrc.org.uk/publicationslist.html> accessed 2 July 2010 (United Kingdom) accessed 21 June 2010

¹⁰ *ibid*, chapter 1, Heading "Who do people turn to for assistance, and why" no page numbers provided, accessed 18 June 2010

¹¹ Coumarelos, C, Wei, Z & Zhou, AH, *Justice Made to Measure: NSW legal needs survey in disadvantaged areas*, Law and Justice Foundation of NSW, (2006) p 104 at <http://www.lawfoundation.net.au/ljf/app/&id=F47EA3CFED097054CA25713E007A2B62>

into legal advice providers these agency workers had not been previously able to “quickly contact someone to make an enquiry on behalf of a client” or to recommend “someone I know”.

Overwhelmingly, the workers in these agencies welcomed our overtures to participate in their events. When we approached them at the start of the project they had a history of feeling helpless or not knowing exactly what to do or where to go about credit & debt legal issues. When they had tried to access information they could not understand it. Faced with busy work schedules and no one to contact and talk to, the matters had not been resolved. They reported that if they had identified the nature of the problem and referred their client into a service where they didn’t know anyone personally, their feeling was that the client had done nothing with the referral. They stated that when making referrals the most common question they were asked by their client was whether or not they “know someone there.”

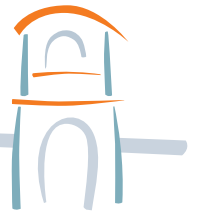
While the evidence supporting the research of the Law and Justice Foundation from the project is anecdotal, it does support the contention that people within the CALD community, especially from the most disadvantaged in those communities, will go to non legal sources for help first and will only go to the one source unless other factors, such as a referral to someone “known” and/or “trusted” are present.

The evaluations reflect that the contacts made with the agency workers ensured a pathway for early referral to “someone they knew” which was more likely to lead to action by the person with the legal problem. In addition, the contacts made with people from the CALD community indicated they felt they now knew “someone/somewhere they could go for help” for legal assistance and that they also felt they now knew “someone/somewhere to tell other people to go to” for legal assistance with credit and debt issues.

Despite the existence of telephone hotlines and the use of the Telephone Interpreter Service (TIS) by these hotlines, most of the disadvantaged members of the CALD communities stated that they would not use these services as they preferred face-to-face service from someone they knew or who was recommended by someone they trusted. In this respect RLC’s role in resourcing and training and serving as a contact point for financial counsellors and other agencies ensures positive outcomes.

The 2003 Law and Justice Foundation of NSW study of legal needs also analysed behavior in relation to all legal events, and in some areas in relation to credit and debt legal events. It found that 42.3% of survey participants sought help, 15.4% of participants handled events alone, while 42.3% did nothing. They also found that people were more likely to do nothing when faced with a credit and debt legal problem when compared to being faced with all types of legal problems (where 32.8% of people did nothing¹²).

¹² Coumarelos, C, Wei, Z & Zhou, AH, *op cit*, ch 10



Evidence from the project suggests that members of CALD communities, especially disadvantaged members, are more likely to do nothing, especially in relation to credit and debt issues, than the research would suggest. It appears they ignore paperwork as they do not see it as a legal issue, they cannot read or understand it or they just feel overwhelmed and so ignore it. Sometimes people simply cannot articulate why they did nothing.

The identification of credit and debt matters as legal issues

Evaluations highlighted that both the workers from the various agencies dealing with members of the CALD community and the community members themselves were unlikely to identify a credit and debt legal issue. Also, they were not clear about what they were liable for in terms of debt.

Credit and debt problems were likely to be seen as issues shared by the family. This often caused hardship where people struggled to meet the burden of debts they were not legally liable to pay. There were examples of this in intergenerational households, where elderly family members who had no legal liability either as a party to the consumer credit contract or as a guarantor struggled to pay their family member's credit card debt.

Case Study 9: Salena

Salena is 64 and lives with her eldest daughter, Nandi aged 43 and her family. Salena's youngest daughter Sabita is aged 23 and currently studying at university. Salena receives Centrelink payments and contributes "her share" of money towards Nandi's mortgage repayments and other bills including Nandi's credit cards. Salena and her other older children all contribute to financially support Sabita through her studies. Over the last 9 months Nandi has been increasingly asking her mother to contribute more to ensure that the household bills and credit card bills are covered and also to cover some of "her (Nandi's) share" of Sabita's bills. Sabita has also told her mother that during this time her sister has been constantly on her back to keep her costs down and is making it very stressful for her. Salena now finds that she is not only struggling to pay these extra costs but has now accrued a few small debts of her own. She advised that she only wanted information but was unlikely to try to change anything as this was a family issue.

Members of the CALD community did not characterise their "money problems" as credit and debt legal issues. They saw them as a money shortage or family problems or community issues. This indicates that telephone based legal information systems such as Law Access are not the best service to resolve credit and debt legal issues of CALD community members. Contact event participants were often unwilling to have their co-attendees know that they have a problem indicating that clinic type sessions would not be an effective way to provide credit and debt legal advice to the CALD community.

Research by the Law and Justice Foundation of NSW suggests that a significant proportion of the community demand for legal information is now met with written

materials such as books, leaflets and websites¹³. However, another issue that emerged was that this was not the case for the CALD community particularly for the most vulnerable and disadvantaged members of the various CALD communities. Often without sufficient English language skills or technical skills, they are unable to access information without the assistance of other members of their family or community (who may be the people who have caused their credit and debt problem).

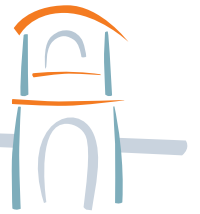
Even if they can access written material with assistance, they often do not understand it and prefer to talk to someone known or trusted. Members of new and emerging communities report that there is little or no information available in their language online, even if they do have the skills to access it. The Telephone interpreter Service is not something they want to use for what is seen as a family issue. This is due to the small nature of some communities and concerns for privacy. These issues are not readily overcome irrespective of the way the services are delivered.

Workers in the various agencies and the members of CALD communities stated that written resources (including those available online) do not target CALD communities adequately. There are only selected resources available, and only in selected languages. Very little, if anything, is available in less common community languages, languages belonging to smaller communities, and the languages of new and emerging communities. Even in the cases where there are legal information brochures or information online in a community language, it appears that they are not readily understood by the most disadvantaged members of that community.

Workers with CALD communities speculate that this is because the resources are translated by literate, educated people who do not produce a translation that is readily understood by less educated people. They stated: - "It might be in our language but they don't understand it." The same can be said of legal information brochures produced in English. There are members of the community who have difficulty understanding the plain English version for a myriad of reasons. Written resources are a vital part of access to legal information but they have significant limitations.

It should be noted that a number of the workers commented on the importance of the various CALD radio shows on community radio as a tool for reaching members of the CALD community especially when the discussion or information is presented in plain easy to understand language. As such, the appropriate use of community radio could be an effective strategy to provide credit and debt legal information to the CALD community.

¹³ Attorney General's Department website, *op cit*



The complex nature of credit and debt and other legal/non legal issues

An issue that emerged from the project was that most people do not have a single, neat credit and debt legal problem. They tend to have multiple legal and non-legal issues. As these are all interconnected, they need to be resolved in a holistic way. The provision of credit and debt legal services in an environment that also provides wider general legal services is essential. The provision of these services in an existing, long established legal centre with strong networks serves to ensure the best outcome for members of the CALD community.

What the statistics and this report do not show is the number of clients from the project provided with advice and casework legal services who had interconnected legal issues which were also dealt with, either by the RLC project workers or by the RLC generalist service or other RLC services, or issues which were dealt with through referral into non legal agencies.

Case Study 10: Bibek

Bibek was looking for work and he saw an ad written in his native language about employment opportunities. He rang the number and was told that he could have a meeting. The work was as a cleaner at a large well known public place. He was told by the person he spoke to, Sunita, that he had to pay \$750 cash as a referral fee. He met her at the local shopping centre and paid this but three weeks later nothing had happened. He contacted her again and was told to meet another person, in the foyer of the building and he would be shown around. He was told to bring a further \$350 cash for a uniform and \$100 cash for a medical check fee. He met the other person and paid the money. Again nothing happened.

Through a friend he found out where Sunita lived and went there to get his money back. He got angry there when he was talking to her and the police were called. He was so angry that he got into an altercation with the police when he refused to leave the premises. Charges were laid against him for various offences. Sunita also applied for an Apprehended Violence (Personal) Order against him. He received court attendances for these matters.

As a result of giving Sunita \$1,200 he then had difficulty paying his rent and bills. He also had other debts from his previous house where he was on the tenancy agreement with two others.

He is a part time student and as a result of everything that had happening to him he is now struggling with his studies and is worried he might fail.

Case Study 11: Boon-Mee

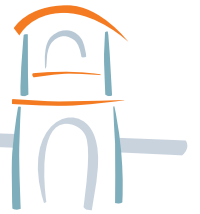
Boon-Mee has lived in Australia for approximately four years. He approached the project workers to witness his signature on some documents. Further discussion revealed that Boon-Mee had incurred a lot of personal debts as a result of his business activities, including credit card debts. He was having difficulty managing. Boon-Mee was not aware of the existence of free financial counsellors. Nor was he aware of the hardship provisions under the consumer credit legislation and had not been advised about them by his credit providers, despite explaining his difficulties to the credit providers when he spoke to them. Boon-Mee had difficulties with English but was never offered an interpreting service, or advised that he could authorise someone else to speak to the credit provider on his behalf.

He had recently seen an ad on the internet and considered that it would solve his problems. The ad was for a company which purported to solve all of his credit problems for a fee of \$2,500.00. The company had actually sent Boon-Mee the forms for a debt agreement under the Bankruptcy Act. Boon-Mee was unaware of the implications of a debt agreement and had bought the documents in for his signature to be witnessed.

Case Study 12: Uli

Uli is on a Disability Support Pension. He had previously been diagnosed with schizoaffective disorder and as a result had incurred large credit card debts with three different credit providers. Uli had also obtained two mobile phones via two different telephone companies on a payment plan and had then sold the items to obtain money for drugs. Uli debts were in excess of \$10,000.00. He had also been recently arrested on drug charges and had court matters pending in relation to this. Uli had also been hospitalised for his mental illness on many occasions. Despite one of the credit providers having been advised by Uli's sister that Uli was and had been suicidal, the credit provider continued to call and harass Uli and had escalated to management level.

The project also identified that with the use of successful strategies to access hard to reach communities comes a corresponding increase in the numbers of the members of those communities accessing advice services. The project led to around a 200% increase in credit & debt legal advice matters and a 20% increase in the members of CALD communities accessing the additional services made available at MLC. While highlighting the efficacy of using alternative strategies for accessing such communities, it also highlights that, given current resources, already overburdened agencies cannot meet the demand for services that follows.



The main credit and debt matters dealt with by the advice and casework services

The nature of the credit and debt legal matters raised by the agencies contacted at the outset as being of interest was reflected in the main matter types dealt with by the advice and casework assistance. This shows that agency workers working with the various CALD communities are often in close touch with their communities and are often aware of the issues that their clients base are facing, even if they haven't identified these issues as legal credit and debt issues.

As indicated during the initial research, types of credit and debt problems were consistently more divided by age groups than by CALD backgrounds. A 2004 United Kingdom legal needs survey also found that "there were clear differences in the ages at which respondents reported different types of money/debt problems."¹⁴

- The project found that the main issues for older people were:
- debts owed as a result of having less money for their needs after they had made loans to family or others in the community
- debts from guaranteeing loans for family members
- utilities debts
- rent arrears.

Case Study 13: Mai

Mai is 78. Until 2 years ago she owned her house but now lives in rental accommodation. She had guaranteed a loan for her son Bai so that he could borrow money to keep his business going. Unfortunately the business collapsed and he had told her that she had to sell her house to cover the debts or the bank would sell it. She cannot speak English very well and cannot read English. Her son had arranged everything for her and told her what she needed to do.

The money she had left after the sale of the house had been used to assist her family over the last 2 years and she now has rental arrears and is having difficulty paying her utility bills. She has also accrued a number of other small debts that she cannot afford to pay.

In contrast, the main problems for younger people were:

- over commitment
- credit cards
- consumer contacts (mobile phones and internet providers)
- fines
- debt/court proceedings arising from motor vehicle accidents.

¹⁴ Pleasence, P, *Causes of Action: Civil Law and Social Justice*, 2nd edition, LSRC Research paper No 14. (2006) pp 31-2 at <http://www.lsrc.org.uk/publicationslist.html> accessed 2 July 2010

Case Study 14: Tan

Tan is a 21 year old with a mobile phone. He always tried to keep his calls and SMSs down so that they were under the \$50 cap as he could not afford to pay more for his phone. He had signed up for direct debit as there was an extra fee to get a bill. Every month the phone company would notify him by email and deduct the \$50. Three months ago he received an email saying that he owed \$678. He hadn't checked his email when it arrived in his email inbox and just assumed it was going to be the \$50 he usually paid. He only found out when he had no money in his account and saw that the phone company had taken the money. He checked his email and found out that he had been charged for premium SMSs. He tried to talk to the phone company but they said he must have signed up for them.

The phone company says he is on contract and will have to pay lots of money to cancel the contract. They also told him he will have to pay money if he cancels the direct debit. With the high phone bills each month he is now using his credit card to pay his other bills. He has reached the limit on his credit card and doesn't know how he will be able to keep paying his rent and other bills.

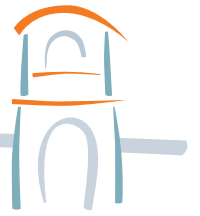
- Finally, the main issues of concern for those in the mid range age groups were:
- mortgage stress
- over commitment
- debt or financial difficulties caused by an unexpected change in circumstances, such as relationship breakdown or unemployment

Case Study 15: Ramesh

Until six months ago Ramesh had been employed as a waiter. However, due to a physical disability he was no longer able to do that work and was re-training in business administration. He had been unable to make the last two payments on his mortgage. Ramesh knew that he would complete his course and be employed again in six months but he didn't know what to do about not being able to meet his mortgage payments.

Case Study 16: Asuka

Asuka had come to Australia on a spousal visa. She was a victim of frequent domestic violence and her marriage had broken down as a result. Her husband had moved out but still controlled all of their finances. She had a job but was having difficulties making the strata and mortgage payments. The owner's corporation had default judgement against Asuka and was threatening to start bankruptcy proceedings.



It should be noted that earlier research into credit and debt issues in the Cambodian community and the community from the Former Yugoslav Republics in Victoria in 1998 also found that members of the CALD community were more likely to access secondary credit sources such as family and friends rather than primary sources such as banks and store cards. They concluded that this was due to a combination of factors including:

- poor economic circumstances of newer arrivals or younger members of the community who were often not in a position to gain access to credit or additional credit
- racial discrimination
- cultural differences in attitudes towards credit and debt and familial and community responsibilities and expectations.¹⁵

As the project identified, this in turn can lead to both credit and debt and other non-legal issues for the members of the community who lend the money or guarantee the loans for other members of their community.

Case Study 17: Asad

Asad is employed and considers that he has done well since his arrival in Australia. His English skills are considerably better than those of his extended family and a lot of the newer arrivals in his community. He has been assisting various members of his extended family and others within the community by helping them with letters and by advancing them money when they are in need. Seven months ago his cousin approached him about a loan for his son to buy a car. The immediate family was not able to borrow the necessary funds. Asad agreed to pay for the car and the son was to pay him back \$50 a week from his wages. They all went to visit car dealers and the boy purchased a car that cost \$4,200.

The boy has been making some payments but he has not been paying the amount back at the agreed rate and Asad has now had to use his credit card to cover his other debts thereby incurring further debt through interest charges. He wanted to know where he stood, but advised that he would not take action as it was not a legal problem but a family issue.

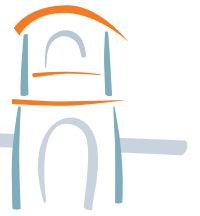
On this point, it should also be noted that throughout the project a number of the issues identified were not susceptible to a legal remedy due to the internecine nature of the disputes and the unwillingness of those affected to seek to enforce their rights. However, both the community workers and the members of the CALD community demonstrated a desire to know their rights so that they could decide whether to act on that knowledge.

¹⁵ Financial and Consumer Rights Council and the Department of Social Work and Social Policy, La Trobe University, *Attitudes to credit and debt of non-English speaking background groups in Victoria, (1998)* at <http://www.consumer.vic.gov.au/CA256EB5000644CE/page/Public+consultations+and+reviews-Research?OpenDocument&1=960-Public+consultations+and+reviews~&2=030-Research~&3=~> accessed 18 June 2010

Summary of project findings

The project findings can be summarised as follows: -

1. Members of the CALD community and those who work with them do not necessarily identify credit and debt problems as legal problems. Members of the CALD community are more likely to identify such issues as a money shortage, family problem or community issue.
2. Most members of the CALD community who sought legal advice did not have a single, neat credit and debt legal issue. They had multiple legal issues (either multiple credit and debt legal issues or credit and debt legal issues combined with other legal issues). In addition they often have other non-legal issues which affect their ability to deal with their legal problems. As these issues are all interconnected, they need to be resolved in a holistic way.
3. There is a current demand for credit and debt legal information and advice services that is far greater than the ability of any service provider to meet. This is shown by the 200% rise in credit & debt legal advice and the increase of 20% in the number of people from CALD communities provided credit and debt legal advice by the additional services available at MLC for this project. This shows both that the approach taken in this project is an effective strategy for targeting the CALD community and that the fear of generating demand following such approaches is a well founded one.
4. The best way to contact CALD communities, particularly the most disadvantaged members of those communities, is to provide community legal education to local agency workers who work with these communities in non legal contexts, and to engage with CALD community members through targeted contact events within networks and events that exist for more general purposes. Both these strategies are equally important.
5. While community legal education and contact events that focus on early intervention/ prevention and education and support of agency workers are needed, they must be backed up by the provision of an advice and casework service which includes telephone advice services for the agency workers, and face to face level services for the members of the CALD community. Ideally, the advice would be provided by the same worker who attended the education and contact events. If this was not possible, a referral to another worker in the same agency would be acceptable as long as the other worker was known. This would best meet the needs of the community and would ensure continuity, consistency and referrals that will be accepted by the CALD community members. Further, the legal service should be able to provide wider generalist legal services as well as personal referrals into other local non-legal agencies as is appropriate. It should be noted that RLC is ideally positioned to be able to fulfill all of these criteria.
6. Referrals between agency workers, and legal centre staff who have had previous contact and so “know” each other works particularly well as it facilitates referrals for service delivery in a way that meets the needs of the CALD community.
7. While financial counselors were not the focus of this pilot project, the partnership that exists between RLC and financial counsellors statewide through the legal support and training given by RLC to financial counsellors provides a pathway



to refer members of the CALD communities to these services. It should be noted that a number of those assisted were also referred to financial counsellors for additional assistance.

8. Targeted community contacts to ensure that networks and connections are made, especially into communities or sections of the community that may not trust service providers they do not “know” or who are not “known” to trusted members of the community, are vital to ensure that the legal needs of the most disadvantaged members of the community are met. The strategies used in the project such as targeting people at non-legal events and through non-legal agencies could be a model used to reach other vulnerable members of the community such as people with disabilities, people with chronic illness and Indigenous people. It is noted that RLC, with its experience in dealing with all of these vulnerable groups within the community would be well placed to deliver such services.

Recommendations

1. That the model developed in this project (involving community engagement, training for community workers, and legal advice and casework services) be recognised as “best practice” for delivering credit and debt legal services to disadvantaged CALD communities.
Continuing rather than one off delivery is essential for the success of the model. Once established, relationships with CALD communities need to be maintained to account for changes in staff, people moving in and out of an area, and people moving to different life stages.
2. That programs for credit and debt legal services be rolled out in other areas of NSW with significant CALD communities, using a similar model to the one developed in this project. It is noted that the model would need to be used flexibly and tailored for the needs of each area.
3. That government and non-government agencies consider using radio and television in community languages to communicate credit and debt legal information to CALD communities, in addition to print and online material for community workers.
4. That RLC should maintain relationships with the various agencies in the Marrickville LGA that provide services to the CALD communities to ensure ongoing access to credit and debt legal information and advice for agency workers and the members of the CALD communities of the Marrickville LGA.
5. That RLC should expand this project into the RLC catchment areas – City of Sydney, Leichhardt and Botany Bay Local Government areas.
6. That RLC should look for opportunities for extra funding to expand the project to other local government areas serviced by Marrickville Legal Centre – Ashfield, Bankstown, Burwood, Canada Bay, Canterbury, Hurstville, Kogarah and Rockdale.
7. That RLC should undertake systemic advocacy and test cases aimed at protecting CALD consumers and preventing credit and debt problems in CALD communities.
8. That RLC should consider using radio to communicate with CALD communities about credit and debt. It should also consider producing very simple written credit and debt material in community languages.

References

Attorney General's Department website, *A Strategic Framework for Access to Justice in the Federal Civil System*, (2009) at http://www.ag.gov.au/www/agd/agd.nsf/Page/Publications_AS_strategicFrameworkforAccesstoJusticeintheFederalCivilJusticeSystem accessed 18 June 2010

Australian Bureau of Statistics, *Census 2006*, National Regional Profile: Marrickville (2007)

Coumarelos, C, Wei, Z & Zhou, AH, *Justice Made to Measure: NSW legal needs survey in disadvantaged areas*, Law and Justice Foundation of NSW, (2006) at <http://www.lawfoundation.net.au/ljf/app/&id=F47EA3CFED097054CA25713E007A2B62> accessed 21 June 2010

Financial and Consumer Rights Council and the Department of Social Work and Social Policy, La Trobe University, *Attitudes to credit and debt of non-English speaking background groups in Victoria*, (1998) at <http://www.consumer.vic.gov.au/CA256EB5000644CE/page/Public+consultations+and+reviews-Research?OpenDocument&1=960-Public+consultations+and+reviews~&2=030-Research~&3=~> accessed 18 June 2010

Legal Services Agency website, *Technical Paper: Defining Legal Need and Unmet Legal Need, 2006 National Survey*, at www.lsa.govt.nz/documents/Defining.pdf (2006) accessed 2 July 2010

Pleasence, P, *Causes of Action: Civil Law and Social Justice*, 2nd edition, LSRC Research paper No 14. (2006) pp 31-2 at <http://www.lsrc.org.uk/publicationslist.html> accessed 2 July 2010

Pleasence, P, Buck, A, Balmer, N & Williams, K, *A Helping Hand: The impact of Debt Advice on People's Lives*, LSRC Research Paper No 15. (2007) at <http://www.lsrc.org.uk/publicationslist.html> accessed 2 July 2010

Marrickville Council, *Marrickville Community Portrait 2006*, Prepared for Marrickville Council by The Public Practice Pty Ltd (2007)

Marrickville Council website, <http://www.marrickville.nsw.gov.au/community/directory.htm> accessed 17 August 2009

Marrickville Council Website, <http://www.marrickville.nsw.gov.au/council.htm> accessed 24 June 2010

Marrickville Legal Centre website, <http://www.mlc.asn.au/> accessed 11 June 2010

Redfern Legal Centre website, <http://www.rlc.org.au/about-us.html> accessed 11 June 2010

Wikipedia website, http://en.wikipedia.org/wiki/Marrickville_Council accessed 15 June 2010