



## Briefing Note

TO: MINISTER FOR INDIGENOUS AFFAIRS YOUR REF: 11-16204  
FROM: A/DIRECTOR GENERAL OUR REF: 58267  
SUBJECT: Actuarial advice relating to the report of the Stolen Wages Taskforce

### ISSUE

Actuarial advice underpinning recommendations for the Common Experience payment and Community Experience Fund for 'Stolen Wages'.

### BACKGROUND

The report of the Stolen Wages Taskforce contains a range of recommendations, including an *ex-gratia* Common Experience payment and an equal amount in a Community Experience Fund. Actuarial modelling has been undertaken using a large range of archival and published data to build the amounts for these payments. These models show the potential amount of money due to an individual, taking into account the policies of the day regarding:

- Retention of money at government settlements of Carrolup and Moore River; and,
- Extent to which wages did not keep pace with inflation.

### CURRENT SITUATION

The *ex-gratia* Common Experience payment proposed to be available for those who had their money directly controlled by the Government has been calculated at the upper end to be \$10,000. This is based on actuarial modelling and the following assumptions:

- 1951 was chosen as a baseline as those who started work aged 14 are now 70;
- The number of years individuals were likely to have had their wages controlled while under legal guardianship of the Chief Protector is 7 years (between the ages of 14 and 21); and,
- Using the years 1951-1957, the amount that actuarial modelling shows as owed to individuals is \$9859.

It is considered that the amount of the *ex-gratia* Common Experience payment of \$10,000 is reasonable for the following reasons:

- It is based on actuarial logic;
- RedressWA has also established a baseline of up to \$10,000 for abuse while in State care, with more available in certain circumstances;
- The Canadian scheme has a baseline of \$10,000 for abuse while in State care;
- The Aboriginal Legal Service of WA (Inc) has referred the Canadian scheme to the State Government for consideration; and,
- Advice from Queensland government officers involved in administering the Qld schemes suggest \$10,000 would have been a more acceptable figure for their jurisdiction.

It is estimated that between 1500 and 3000 people are still living who experienced direct government control over their money.

Based on actuarial models of money owed and population still living, current estimates of total value of *ex-gratia* Common Experience payment is between \$15 and \$30 million based on populations which vary between 1500 and 3000 people.

Having noted the potential complexities in dealing with deceased estates and genealogies, the Taskforce formed the view that rather than paying monies to families of deceased people, a Community Experience Fund be established to acknowledge the impact of lost economic opportunity and to facilitate people to share their heritage with the wider community. For this reason, the Taskforce recommended that the total amount of money for a Community Experience Fund, which designed to acknowledge those who are now deceased, be equal to that of the Common Experience payment.

In summary, the upper cost of the package of policy initiatives based on \$10,000 and 3000 people is:

Common Experience payment	\$30 million
Community Experience Fund 100% of CEP	\$30 million
Other policy initiatives (healing, archives, oral history)	\$8.94 million
Administration	\$2.26 million
<b>Total</b>	<b>\$71.2 million</b>

If there is a view that \$10,000 is inadequate monetary compensation, then the Common Experience payment could be increased by \$5000, and the total of both the Common Experience payment and the Community Experience Fund increased accordingly.

While no amount of money can ever compensate for the past economic and personal impact of government control over individual people's money, an individual *ex-gratia* Common Experience payment of \$15,000 could be seen to comprise:

- \$10,000 is for the actuarial calculation of actual loss and is based on actuarial logic; and,
- \$5000 additional monetary compensation as an act of reconciliation to acknowledge the personal and family impacts beyond the actuarial calculation.

Adopting this approach will add \$30 million to the total of the package of policy initiatives.

**PROPOSED ACTION**

That you note the advice and give guidance on whether the Cabinet submission needs to be altered to include the additional payment.

  
JACKIE TANG  
ADIRECTOR GENERAL  
14/7/08

Att.

Noted /  
Approved /  
Not Approved

..... / /  
**Minister for Indigenous Affairs**

(I:\dms\minister\open\svst\svst0096m.doc)

Prepared by	cc - 08 9235 8000	Date:	/ /
Asst Director Signature		Date:	/ /
Director Signature		Date:	/ /