

## Indigenous Economic Opportunity: the Role of the Community and the Individual

### Speech delivered at the First Nations Economic Opportunities Conference

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What you are about to hear is not a balanced speech. Rather it is a presentation that accentuates all that is most profoundly wrong in indigenous communities and, more importantly, the manner in which they are publicly administered. It is one-sided as only a speech can be that seeks to argue the necessity for fundamental change.

So it is important that I qualify what I am about to say. Let me start by emphasising that, particularly in absolute terms, there is significant evidence that the socio-economic status of indigenous Australians has improved in recent years. Here are some examples:

- indigenous male **life expectancy** has increased from 57 years in 1991 to 59 years in 2001 and female life expectancy has increased from 62 years in 1991 to 65 years in 2001
- between 1994 and 2002 the **unemployment** rate for indigenous adults decreased from 37 per cent to 20 per cent
- in the 12 months to the end of April 2006, Job Network placed into **employment** over 43,900 indigenous job seekers, an increase of 18 per cent over the previous 12 months
- in **schooling** overall Year 12 enrolments have increased by 27 per cent since 2000 and retention rates have risen from 29 per cent in 1996 to 40 per cent in 2004
- the total number of indigenous students enrolled at **university** increased by 3 per cent between 2001 and 2004, and
- the **employment rates** and **starting salaries** for indigenous graduates are higher than for non-indigenous Australians. [\(1\)](#)

These and a range of similar data show that government programmes can have a positive impact on indigenous welfare. It is crucial to acknowledge this fact, given that the Commonwealth government alone spends almost \$3.5b each year on indigenous-specific payments and services. As a public administrator such statistical indicators, and the inspiring instances

one sees of individual success against the odds, serve to sustain one's belief in progress. The danger with a 'things never get any better' attitude is that it is not only wrong but can be too easily misused to suggest that government funding is necessarily a waste of money.

Yet the sad reality is that the appalling disadvantage of Aboriginal and Torres Strait Islander (ATSI) people remains unacceptably high. In some areas, conditions may actually be worsening.

Let me present five stark assertions.

First, many indigenous communities (rural, regional and metropolitan) are imploding, their social structures are in collapse, respect for law and order has plummeted, and key social norms (such as responsibility and authority) are in tragic disrepair.

Second, too many Aboriginal and Torres Strait Islander people have become trapped in a cycle of dependency, relying on welfare for their income and government payments for their livelihoods, unmotivated to take advantage of even the limited opportunities that are available. Passivity has been born of government handout and sit-down money.

Third, virtually all indigenous Australians see, in their own extended families, instances of substance abuse and its appalling consequences in terms of poor parenting, neglect of children, violence and sexual oppression of the powerless. Idle time, free money and a right to drink have concocted a dangerous cocktail.

Fourth, too many indigenous communities are, in effect, being preserved as museum pieces, kept locked in poverty in socially dysfunctional communities, out of sight of mainstream Australia.

Fifth, significant numbers of small, remote communities – settled, in great hope, as homelands and outstations – have no sustainable future and do not (and cannot) provide adequate health care, education or opportunity for economic development.

I have never before, as a white public servant, driving a desk in Canberra, put to an audience (especially one with such distinguished overseas visitors) such a brutal summary. I am moved to do so for two reasons: frustration at the failure of a generation of public policies to translate into the sustained economic betterment of indigenous Australians and inspiration engendered by the increased willingness of indigenous leaders to speak out with great honesty on the underlying symptoms and causes of that failure.

I am aware that, for some 15 years as a public administrator, too much of what I have done on behalf of government for the very best of motives has had the very worst of outcomes. I (and hundreds of my well-intentioned colleagues, both black and white) have contributed to the current

unacceptable state of affairs, at first unwittingly and then, too often, silently and despairingly.

I have seen, in the name of 'self-determination', poor indigenous communities being expected to run their public services – from garbage collection to primary health care to road repair to maintenance of publicly-funded housing – which other Australians would expect to be provided and professionally administered by government.

'Community control' has too often meant a second-class service. Even successful Commonwealth community programmes, such as the Community Development Employment Projects (CDEP), have not infrequently been used to subsidise the provision of municipal services by State, Territory and local governments through welfare-funded labour. This has actually impeded the creation of real jobs for indigenous community members. At the same time the dependence of many communities on CDEP labour has created a perverse incentive for them to retain the most skilled and committed workers on a form of community-controlled work-for-the-dole, rather than helping them step into the paid labour market.

I have also witnessed, in the guise of assistance, indigenous communities being provided with discretionary government support – from vehicles to houses to community centres to power generators – without anything being expected in return, not even a commitment to maintaining the value of the capital investment.

Something has gone hopelessly wrong when individuals expect governments to repair the damage they have done to their own houses or communities to pick up the junk and litter in their own front yards.

In short both the **entitlements** and the **obligations** that mark the normal relationship between government and its citizens have been undermined by opaque administration, hidden cost-shifting and a bold rhetoric of community control and self-determination far removed from the sad reality of dependence. There is a need for 'normalisation' in the most profound sense.

I have painted a bleak picture. But the summary I have provided is derived entirely from recent speeches and papers presented by four outstanding and courageous indigenous Australians

- Joseph Elu, Chairman of Indigenous Business Australia, and an organiser of this conference,
- Sue Gordon, children's magistrate and Chair of the National Indigenous Council,
- Warren Mundine, until recently a member of the NIC and now National President of the Australian Labor Party, and

- Noel Pearson, Director of the Cape York Institute for Policy and Leadership.

It is necessarily a partial summary of their views [\(2\)](#). I have tried not to take their brave critique out of context although, perhaps, we might disagree about how best to remedy the current tragic situation.

And tragic, on this occasion, is the appropriate adjective. Take the Tiwi: a people who have ownership of their own traditional lands and retain their language. They live in communities that have received large amounts of government funding, for far too many years, from far too many agencies. They live on islands that have the potential to be economically self-sustaining. Real jobs exist and more could be created.

In addition yet, where there should be hope there is failure. The Tiwi Islands Local Government Strategic Plan 2006 sets out the Tiwi experience. Here is the Tiwi life cycle in their own words:

- Start: young mother, unskilled, unplanned pregnancy, alcohol during pregnancy
- 0-3 years: poor nutrition, poor hygiene, overcrowding
- 3-5 years: poor nutrition, poor sleep, distraction
- 5-10 years: lack of discipline, guidance, support, poor nutrition, distraction
- 10-13 years: wrong culture, lack of discipline, guidance support, poor nutrition, distraction
- 13-18 years: lost, bored, substance misuse, poor discipline, poor education, distracted, no respect
- 18-22 years: no job, no house, no pride, substance abuse, lack of respect, health problems, loss of culture
- 22-30 years: no job, no house, substance abuse, stuck, poor education, domestic violence, anti-social behaviour
- 30-48 years: not a cultural leader, health problems, substance abuse, no job, family problems, poor role model.

The average age of death is 48.5 years. They suffer probably the highest rate of suicide in Australia. Tragic.

Which necessarily leads to four difficult questions.

How best can government policy and its public administration contribute to improving the dire state that afflicts far too many indigenous Australians?

How, in particular, can we ensure that the economic opportunities available to other citizens are equally enjoyed by Aboriginal and Torres Strait Islander people: access to education, training, paid employment, entrepreneurial endeavour and the financial rewards that result therefrom?

How can we provide an equal chance for indigenous Australians to support their families, nurture their children, buy a home, build a small business, save money in a bank and pass on a modest inheritance?

How, in short, can we turn the spirit of reconciliation into practical initiatives that, year-by-year, issue-by-issue, case-by-case improve the lives of indigenous families?

At this stage what I say is informed by the direction of policy in the Commonwealth government and by my nominal leadership of the Australian Public Service. But the views expressed are my own.

It is my personal opinion that three things need to be done to build the economic opportunities upon which this Conference is focused: to improve the manner in which we deliver government support to indigenous communities; to improve the way we provide government support to indigenous individuals and families; and (by far the most important and most challenging), to rebalance the emphasis between communal rights and individual rights.

With respect to **communities** I submit that we need to do things differently.

We need to tailor government programmes to the particular circumstances of discrete communities (rather than defining 'equity' – as we have for a century – simply in terms of ensuring that the same programme is delivered in the same way to all Australians).

We must ensure that discretionary government expenditures are negotiated to goals that address local needs, and are only delivered on the explicit recognition that both sides – government and community – have a mutual obligation to meet their side of the bargain.

Public servants in particular need to understand that community challenges are almost inevitably holistic in their nature and require a variety of programmes from all three tiers of government to be delivered in a coordinated whole-of-government manner if they are to be effective.

We must insist that, to the extent that community programmes continue to be delivered by community organisations, the staff who work for them are professionally trained and supported and that the indigenous leaders who govern them are fit and proper persons with the standards of integrity expected of a Board responsible for the distribution of public funds.

We should see the development of 'community enterprise' as a negotiated partnership with the private sector paying for services provided (cleaning, cooking, road grading, hauling, planting) rather than a flow of grant funds from government.

On all of these issues progress is being made - through formal agreements at the Council of Australian Governments (COAG) between the jurisdictions, bilateral agreements between the Commonwealth and individual States and Shared Responsibility Agreements (SRAs) made between communities and governments. At the public service level progress has been too slow. Too many bureaucratic barriers remain. Too little administrative flexibility exists. There is much more to be done before until the aspirational goals that underpin true shared responsibility – negotiation and partnership built on empathy – can be achieved.

But it is becoming ever more apparent that community health depends not only on how government programmes are funded, designed and delivered. As in any third-world country receiving aid, it also depends fundamentally on establishing the law and order which is fundamental to a civil society. No health, housing, education or training programme will work if the community lives in fear of periodic gang warfare and, night-in/night-out, is subjected to alcohol-inspired violence. It is worse than useless to turn government money into beer, ganga and kava.

With respect to **individuals** we also need to embrace new approaches.

We need to ensure that the delivery of welfare benefits does not create dependence or learned helplessness. It is crucial that the payment received has to be seen as for a purpose (to provide support for those who are unemployed or to provide financial assistance to look after one's children) and that the purpose imposes obligations on the recipient (to seek work or to ensure children attend school). The safety net must not become a blanket that smothers initiative or responsibility.

Governments need to provide greater support for families to become more self-reliant through helping them with budgeting, financial planning, parenting, anger management and assisting them overcome the debilitating consequences of alcohol and substance abuse. There need to be effective (and tough) diversionary programmes that provide alternatives to incarceration. And I emphasise the notion of support and assistance: these are precisely the elements of welfare to which an effective community can devise creative solutions which may be more appropriate and effective than those designed by governments.

But the most profound challenge, not least because it is the most sensitive, is to rebalance the significance attached to community and individual enterprise and the relative emphases afforded to community and individual rights.

Born of a presence on this continent of at least 60,000 years (in respect of Aboriginal Australians) and 9,000 years (in respect of the arrival of Torres Strait Islanders) indigenous people have a strong sense of community identity and its relationship to land and ceremony. It survives still.

The danger is that this sense of community – and desire to achieve things as a community – can serve to undermine effective integration of Aboriginal and Torres Strait Islander peoples into Australian society and distort approaches to economic endeavour and enterprise.

The challenge (and again I return to the insights of Elu and Gordon, Mundine and Pearson) is to preserve that sense of identity and kinship without making it harder for indigenous individuals and families to have (and seize) the same economic opportunities that exist (and are seized) by other Australians. Success, in Pearson's language, requires a 'bicultural facility' in which indigenous people (as a community) encourage individual success.

This requires difficult actions not just soothing words. It involves recognition that there must be opportunities for individual reward (private enterprise, private investment, private home ownership) even on community land.

It requires acceptance that work as an employee (and on-the-job acquisition of skills) is nearly always required of someone before they successfully establish their own business, and that in most instances a family business is much more likely to succeed than a community business.

It needs awareness that subsidised employment for indigenous people may require them to move from their remote communities, remitting a portion of their wages to those of their family who choose to remain on traditional lands, returning only occasionally to renew their cultural links. It requires recognition that educational opportunity may require indigenous children to leave their communities, boarding at school, and returning only at weekend or holidays.

It means appreciating that response to economic opportunity depends on an individual being able to enjoy the material rewards of their effort, not forced reluctantly to share their hard-earned pay cheque with the undeserving who lay claim on their efforts. Extended family, clan or community have great significance, but they must not undermine the efforts of individuals to provide for their spouse and children.

We now have the extraordinary situation in which too many indigenous communities are land rich and dirt poor. They remain dependent on government-funded community enterprise (which often fails) and community service delivery (which is often second-rate). They are effectively excluded from the opportunities presented by a market economy.

The future must continue to acknowledge the unique status of indigenous people as the First Australians. Aboriginal and Torres Strait Islander people should expect, indeed demand, that their culture and history is taught in **all** our schools. It is a fundamental part of Australia's history and

sense of national identity. It explains the varieties of community title to land that are born of that culture and history. However it also demands that we face up to the fact that the present approach to community assets may actually be undermining individual opportunities.

The future economic prosperity of indigenous people depends in large measure on the recognition of individual rights (a right to education, to employment, to property ownership) in which individuals – rather than government disguised as the community – take control of their own lives.

Providing the bases of prosperity for indigenous Australians does need to be seen as a long-term, generational commitment. But time alone will not heal the injury of inequality. Progress also requires fundamental change in the way in which we view and respond to the challenge. We need to change our minds.

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(1) Information drawn from research conducted by the Australian Bureau of Statistics; the Department of Employment and Workplace Relations; the Department of Education, Science and Training; and the *National Report to Parliament on Indigenous Education and Training, 2004.nt on Indigenous Education and Training, 2004.*

(2) See, for example: Joseph Elu, 'It's time to contribute to the economy', and 'Aborigines must embrace capitalism to ease social problems', *Australian Associated Press* 17 July 2006; Sue Gordon, 'Sustainability of remote Indigenous communities in practice not theory', *Sustainability of Indigenous Communities Conference*, Murdoch University, 12-14 July 2006; Sue Gordon, 'Why building capacity of government is so important to building capacity in Indigenous communities in WA', *Forum about Effective capacity building - how to get involved*, Indigenous Community Volunteers, 8 December 2005, [[www.icv.com.au/media/pubs/WA\\_media%20invite8Dec05.doc](http://www.icv.com.au/media/pubs/WA_media%20invite8Dec05.doc)]; Warren Mundine, 'Indigenous freedom', Paper presented to the Bannelong Society Conference *Remote Aboriginal Communities*, Melbourne, September 2005, [[www.bannelong.com.au/conferences/conference2005/Mundine2005.php](http://www.bannelong.com.au/conferences/conference2005/Mundine2005.php)]; Noel Pearson, 'In search of a sustainable future', *Australian Financial Review*, 15 November 2005; Noel Pearson, 'National reconciliation planning workshop', 30 May 2005, [[www.cyi.org.au/release.aspx?article=PWT7AV3LL1ZZJFELPTKD](http://www.cyi.org.au/release.aspx?article=PWT7AV3LL1ZZJFELPTKD)]; Noel Pearson, 'Visions of brighter futures can liberate camp dwellers', *The Sunday Age* 7 May 2006; Noel Pearson, 'On social norms', *2006 Arthur Mills oration*, 7 May 2006, [[www.cyi.org.au/release.aspx?article=YOKT4UZLISLQ5RPVXW73](http://www.cyi.org.au/release.aspx?article=YOKT4UZLISLQ5RPVXW73)]