

MAN CANNOT LIVE BY SERVICE DELIVERY ALONE

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1 The Problem

I was one of the original Commissioners when ATSIC was established in 1990. I was elected to represent the Far North West Zone which included my home region of Cape York Peninsula. At that time, the Royal Commission into Aboriginal Deaths in Custody released its report which was the culmination of a comprehensive investigation into all aspects of Aboriginal disadvantage.

Today, 12 years after the Royal Commission, we now have the Productivity Commission's report on "Overcoming Indigenous Disadvantage".

The same problem has been analysed by two different groups of people. The Royal Commission's findings largely represented the views of people with a background in indigenous legal aid and other movements that had taken up our advancement as a progressive cause.

Now we have a report from the economists and the "hard heads" from the economic policy mainstream of Australia. The findings of the two reports are very similar, despite the twelve intervening years, which included the reconciliation decade.

These two different groups of people, separated by 12 years which have largely failed to produce much progress, have in common their alarm, concern, commitment and good will for the welfare our people.

There have been good steps forward in some places. But the good news are outweighed by all the things that have become even worse. Therefore we have to conclude that something very fundamental went wrong. Why did not the previous report on disadvantage result in advancement?

Some might say the problem has been insufficient funding and a failure to implement the recommendations. But this cannot be a full explanation.

It is true that many people have an exaggerated impression of the amounts spent on Indigenous Affairs. But still, substantial amounts were allocated and expended and genuine attempts were made to implement the recommendations.

It seems like we have encountered some situations that are so dysfunctional that we can't fund to match apparent need.

In Cape York Peninsula we believe that some simple and fundamental mistakes were made in the analysis that was the basis for Australia's first failed attempt to close the gap between the two peoples of the nation after the Royal Commission delivered its report. In making this conclusion we do not intend to be simplistic and sweeping: Indigenous disadvantage is complex.

However, our view is that the Royal Commission failed to draw alcohol out of the long list of "underlying issues" and failed to elevate it to the highest priority. Doing so would have gone too much against the prevailing ideology that substance abuse is a symptom of disadvantage, and the Indigenous response would have been dominated by charges of "blaming the victim". So the Royal Commission hesitated and the plain work done by Marcia Langton and the Aboriginal Issues Unit, who had confronted grog as a problem in its own right, was not given the policy prominence that was needed.

It would also have been helpful if the points made by criminologist Don Weatherburn had been prominent in the debate much earlier. Weatherburn has pointed out something that should have been common sense for those people who know the situation in our communities:

- the high rates of offending is the cause of the high rates of Indigenous incarceration, not just racism, bias and discrimination
- and that diverting Indigenous people away from the prison system is (a) problematic if it compromises the protection of women and children and (b) not an efficient way of reducing incarceration if it only adds a few rungs at the bottom of the ladder that leads to prison.

We in Cape York Peninsula are determined not to be so fundamentally misled again in relation to what we need to do to overcome our disadvantage. Before I talk about the practical direction we are trying to take, let me first talk about

2 Our analysis

The policies and enterprises we have embarked on in Cape York Peninsula are many and complex. We do not have a simplistic approach.

However, everything we do depends on one paramount imperative: directly confronting social chaos and substance abuse.

Social order and the attack on substance abuse is a pre-requisite because substance abuse

- a. Directly causes many of our problems, or
- b. Exacerbates our problems, and in any case
- c. Frustrates and prevents solutions to our problems, including those not directly attributable to substance abuse

These problems include not only health but also educational failure, the poor state of housing and the lack of enterprise development. Substance abuse directly turns a good house into a poor house!

The most controversial aspect of our stance is that we are directly at odds with the very strong harm minimisation opinion in Australia. Two of the components of harm minimisation, namely demand reduction and supply reduction, are acceptable to us. But the third, harm reduction, defined as reducing harm without necessarily reducing consumption, would frustrate our efforts if it informed policy. We will promote solidarity with the groups of admirable and vulnerable elders and women who are restoring social order in our communities; we will support strict management of legal addictive substances and we will confront not only sly groggers and drug dealers, but also the consumers.

The other area where we are fighting hard is to make governments and public opinion understand our passive welfare problem. The phrase “passive welfare” was not frequently used before 1999. After Cape York Partnerships was founded, the phrase has become common. However, the governments and the bureaucracy have missed two aspects of our analysis:

Firstly,

(a) Our problem is not just one of poverty, it is one of passivity.

When people suffer from poverty their main problem is material deprivation and survival is a daily struggle against limited or no opportunity for material improvement. My parents and grandparents suffered from poverty.

When people suffer from passive welfare their main problem is not material deprivation – rather their main problem is that they have become passive and no longer struggle for a better life, and though opportunities may have improved, they are unable to take advantage of them.

In a material sense people suffering from poverty in earlier times and passive welfare today may look to be suffering from the same problems, but there is a world of difference in social outlook and functioning. Those suffering from poverty take advantage of any opportunity they get, they have not given up and they take responsibility for themselves and their families. Those suffering from passivity have given up responsibility and they see improvement as being the responsibility of government and other people.

To understand that our main “disadvantage” today is that we live in a society dominated by passive welfare, rather than by poverty, has fundamental implications for our approach to indigenous problems. It means that:

- It's not just a question of 'better service delivery'
- We have to tackle passivity and there must be engagement and responsibility

Engagement and responsibility can't just be philosophical ideal. We must restructure our communities so that responsibility becomes the natural response of the individual in his or her social and economic interaction with the community.

Our second objection to the way passive welfare has been understood is that

(b) Governments have ignored our critique of the service delivery paradigm in bureaucracy

It is easy for government bureaucracies to accept so-called “whole of government approaches”, coordinated service delivery and so on.

It is much harder for them to let go of the responsibility.

On one hand we have the almost complete failure on their part to lead and facilitate social and economic development in Indigenous Australia. On the other hand, our experience is that government bureaucracies are resistant to the transfer of responsibility to our people.

Let me turn now to

3 Our programme in Cape York Peninsula

Our programme is based on a vision for the future of our children and young people. We understand the remoteness of our region, the fact that we are a long way from the real centres of employment and economic opportunity. We do have opportunities for economic development, but these are difficult to realise and there are limitations. We want to maximise the economic development of our homelands, but our eyes are on the economic mainstream. We understand the importance of quality education, skills and mobility, if our children are going to participate successfully in Australian society in the future.

Our vision is for our children to be bicultural and bi and multilingual. We want them to have one of their feet planted squarely on their homeland with their people, and their other in the world of opportunity and mobility. We want them to embark on what we call “orbits”, where they see Coen or Aurukun or Lockhart River as their home base, and they “orbit” to Cairns or Sydney or New York in

pursuit of their education, employment, sporting and artistic careers. The scale of these orbits will vary according to the talents and passions of each individual.

Our responsibility as leaders today, is to lay down the foundations for each and every child to fulfil their potential and to realise their talents. Rather than fearing mobility, our message to our people is that mobility does not necessarily mean that our children will lose their identity and culture.

Our challenge is to fix up our home communities. Too often in the past we have seen young people unable to return to their homes in remote communities because they have degenerated into dysfunctional “outback ghettos”. The few that have obtained an education have voted with their feet to leave their homes.

Education is the one solution we have for young people, and it is the main responsibility that we, the current generation of leaders in Cape York, have to fulfil. We have to fix up education, because it is through education that we will be able to achieve our vision of our children retaining their own culture and identity, as well as having the means for mobility and participation in the wider society and economy.

Once we launch young people in Cape York on educational and career orbits, it will be their responsibility in the future to ensure that the children who follow them are also provided with the best educational opportunities that we can muster.

So if you ask us “what is your ultimate economic development strategy for Cape York”, our answer is “education”. And this of course involves urgent immediate, medium term and long term challenges.

I say there is an urgent, immediate challenge to fix up basic problems with primary school education in our communities. The precondition to this is to get on top of grog and to restore social order so that kids can sleep, get a feed and attend school. Then we have a medium term challenge: we need 7 years of quality and uninterrupted primary school education.

Our job is to fix up the low quality, low expectation and low achievement primary schools. If we succeed in fixing up these first 7 years of schooling, then we will send our children to the best high quality, high expectation boarding schools that we can find down south. If me and my fellow Cape York leaders have to beg at the gates the highest quality secondary schools in Cairns, Townsville, Brisbane, Sydney or Melbourne for places for our Cape York students, then we will do that. If we get our kids up to speed by the time they reach Year 7, then after that we want them to “coat-tail” on privilege and high achievement. We are not going to stuff around with the secondary school swill that is routinely served up to our people in the public school system.

Of course, the other part of our vision of education for young people who are able to move successfully between two worlds and two cultures, is the vision we have for sustainable and functional homelands in Cape York. Not all of our children will be mobile. Some orbits will be temporary and more modest than “Cape York to New York”. Maybe employment at the Comalco Bauxite Mine in Weipa will be the orbit for our future young tradespeople and engineers.

For others, we will need jobs and economic activity generated within our region and in our home communities. Without economic activity and gainful employment, then our communities will not be socially or culturally functional – this is one thing we are convinced of. We have learned from the bitter legacy of the past 30 years that it is simply impossible to maintain successful communities if all that we have is passive welfare transfers from government.

And it is not to be assumed that we have no opportunities and no prospects for economic development and employment within our region. We have opportunities. We will need to start small, because we come from such a low base in terms of skills, experience and know-how. But the creation of an economic context through the development of industries of viable scale, is a question of broader regional development. And our challenge is intimately linked with the regional development challenges facing the non-indigenous communities within our region.

Of course the most dominant economic presence in Cape York Peninsula is that of government. Most of the income in Cape York is sourced in government transfers. We are, and we will be for a long time, predominantly reliant upon government transfers. If we are to overcome disadvantage, then government will be the main investor.

In facing this reality – that we are reliant upon government investment – we are all-too-conscious of how problematic the government investment over the past 30 years has been for our people.

Our conviction in Cape York is that we must transform passive welfare investment into investment that invigorates our people, that engages our people in our health, our education and in our economic development.

It is not the investment that is the problem. It is the methods of investment, and priorities of investment, and the principles upon which investments are made. The current methods, priorities and principles overwhelmingly fall into the passive welfare category. We need to rethink and re-engineer the methods of government transfer, and we need to redirect priorities and we need to reform the principles that underpin these transfers.

To work for the dole is only one step in this reform process. And yet that is all we have ever done in the area of welfare reform. It is the only substantial idea that

we have come up with. It was indigenous Australia that took the first step in welfare reform in the 1970s when work for the dole was first introduced. Since then, we have stalled. It was an important first step towards reform, but a much more comprehensive transformation is necessary.

We need more fundamental reform. And we need governments that are fair dinkum about the kinds of reforms that are needed.

Two weeks ago the Acting Chair of ATSIIC floated the concept of compulsory income management in cases where recipients are not applying their government-derived payments for the benefit of children – possibly through a “smart card” system. Some say that this would be “protection-era rationing”. Cape York Peninsula leaders say this would be self-determination in practice – our people taking responsibility for our children’s future.

In pursuit of our agenda of reforming the way in which government invests in our community the one message that are trying to get through to government is this:

“It’s not just a matter of service delivery, it’s a matter of self-service, family and community development and enterprise development”

As my late father might have told me and my brothers at our daily devotion around the table at breakfast:

“Man cannot live by service delivery alone”.

The one thing that distinguishes the Productivity Commission’s report released today and its predecessors is that Gary Banks and his Review Team have comprehended that coordinated service delivery by government is not the whole solution. We come up with ultra-coordinated government delivery of passive welfare services, but and we will not make the decisive reforms that are needed.

Let me now briefly describe what we mean by community development, family development and enterprise development, and what we are doing in terms of a practical program.

Our Family Development program, which is at the early stages of implementation has three elements:

- Income Management
- Education, and
- Health

These are three issues of vital relevance to every family and every household: managing money, education for the children and health for everyone. Engagement is the key to this agenda: parents and families must be engaged at

this basic level. If we manage our money, all of a sudden we have solutions to children getting some sleep, eating food, attending school. If we want better nutrition and a better and healthier living environment, then the management of our money is essential.

This is why the Family Income Management program which we have developed in partnership with the Commonwealth Department of Family and Community Services and Westpac Banking Corporation, is absolutely key. In the three communities in which Family Income Management has been trialled in Cape York, families have saved up to 20% of their income in their income management accounts. With these funds they are buying refrigerators and furniture and paying for their bills. They are buying food and they are learning the power that can come from managing scarce resources.

Our intention is for Family Income Management facilities to be available to every family and household in Cape York. Our aim is to increase the proportion of funds that are committed to income management. Our exhortation is that the starting place for an investment in the future of our children is the family budget.

And have not our corporate partner Westpac, done a magnificent job! They sent their best people up to the Cape to work with us on the ground. To set up the accounts management systems. To work with mothers and families in learning how to budget. And this is partnership at the most intimate but fundamental level – helping mothers to start to chart a future for their children by getting their home life into order.

We now have to develop strategies to engage families in relation to the health challenges facing our people. We are yet to come up with interventions and strategies that will work. But we have this challenge at the front of our minds.

The second part of our focus is Community Development. There are many things to be done in pursuit of community development, but the key thing we understand that we have to tackle at the community level is the restoration of social order and a concerted confrontation with our grog and drug problems. Without social order and a radical confrontation with our substance abuse problems, we will not get the returns out of our Family Development strategies that we expect and want. Families will find it hard, if not impossible, to succeed when the community context is so chaotic. Grog, drugs and social order are key problems that must be confronted as problems in their own right – not put off with the excuse that they are merely symptoms of poverty and disadvantage. Our people will never escape poverty and disadvantage if we don't rebuild social order amongst our families.

The third part of our focus is Enterprise Development. Within our communities not everybody is dysfunctional and without skills or energy. There are many people who are capable of taking up employment and operating a small

business. They need support. We are providing sustained support to individuals and families who wish to develop businesses. We provide business planning expertise, mentoring and other support services through a network of Business Hubs. Essentially the Business Hubs are incubators for small businesses.

Our corporate partners, Westpac and The Boston Consulting Group, as well as our philanthropic partners, The Myer Foundation and The Australian Youth Foundation, and of course individual philanthropists, provide financial and people support to these Business Hubs. We are starting to see some fledgling success in the development of indigenous enterprise.

You don't need me to say that this is a hard challenge, not the least because of the limited access to capital and the fact that all of our current and potential enterprises are located in the "dead capital zone" of the Australian economy. Because of the inalienability of our resources and our communal ownership of assets, our capital assets – land being of course the most valuable – are not fungible, and therefore do not represent useable capital in the mainstream economy.

There is approximately 18% of the Australian land mass under Aboriginal tenure. These lands are not amenable to capital raising and investment, because of the particular legal and cultural complications that are necessarily involved with Aboriginal tenure. We in Cape York do not believe that alienability is the only solution to this problem. Other indigenous peoples in North America and in the Pacific have found solutions that enable investment and development on indigenous lands without unrestrained alienation.

We in Australia in comparison have failed to come up with effective solutions. This does not just represent a problem for our people, but for the wider Australian community: can we afford for 18% of Australia to be disengaged from sustainable economic development and wealth creation?

The method for the implementation of our comprehensive program in Cape York is partnerships. Our definition of partnerships is very simple: government can't do it alone, we can't do it alone. We need to confront the challenges in partnerships.

And we have formed partnerships at three levels.

The first level is our partnership with the private and philanthropic sectors, and we have done this through an interface organization called Indigenous Enterprise Partnerships, founded by The Body Shop, Boston Consulting Group, The Myer Foundation and Westpac. The key to IEP was that senior figures in our partner organizations, Graeme Wise from the Body Shop, Colin Carter from BCG, Charles Lane from Myers and the indomitable Ann Sherry from Westpac, then connected us up with opportunities and networks within their own organizations

and in the broader corporate and philanthropic community. Without these key executives being personally involved as champions of our partnership, we would be nowhere.

Let me summarise some of the lessons that we have learned from the partnerships that we have developed with the private sector:

- Corporate and philanthropic partners should focus on a place – a town, community or region
- A cluster of corporate and philanthropic partners should work together as a core team, whilst drawing in other partners to make a contribution
- The commitment should be sustained for a realistic timeframe so that a real difference can be made
- There must be leadership in the indigenous community and they must have an agenda for their people
- The corporate and philanthropic partners need to work through indigenous leaders and organizations, and help develop their capacity
- The provision of competent and skilled people is the best resource contribution that the private sector can make

We are still at the early stages of our ventures, but we are able to say that our partnerships with the private sector is absolutely key. Not because the volume of their financial investment comes anywhere near that of governments, but because they give us people with skills, networks, information and relationships that we are desperately deficient in.

It is through these private sector partnerships that we are developing our capacity to innovate and to think through the strategies that are necessary for us to transform our passive welfare situation into active engagement.

The second level is the partnership we first established with the Queensland State Government in 1999 with Premier Peter Beattie. Partnerships with government is of course the hardest challenge, because it is this relationship – the relationship between our people and governments – that is the heart of our passive welfare problem. It is this relationship that is so dominating. It is this relationship that must be reformed.

We can say at this early stage that we are heartened by the Queensland Governments strong understanding of the important of restoring social order as a pre-requisite to all of our plans. We have worked in partnership with Peter Beattie in starting the hard process of tackling the grog problem in our communities. Concrete steps have been taken to limit and manage the supply of grog, and these measures have already produced improvements. But a lot more needs to be done. The one area where there will need to be much more serious commitment from the State is in the area of illicit drugs. This is an challenge that we still have to confront.

The chief deficiency in our partnership with the State Government is that it they do not fully understand that coordination and service delivery are not in themselves solutions to the problems we are trying to address. They do not comprehend, and if they do, they must not accept, our argument that service delivery is itself problematic if these services compound passivity.

The third level is the partnership with the Commonwealth Government. Cape York is one of the 8 COAG sites to which the Commonwealth Government has made a commitment to work with the Queensland Government. This partnership is still juvenile and the same obsession with “whole of government” coordination afflicts the thinking of the Commonwealth bureaucrats.

There is much common ground on policy between indigenous leaders in Cape York and the Commonwealth Government. In fact, in relation to the problem of passivity, there is probably a keener understanding of this problem amongst the political leaders of the Commonwealth, than anywhere else.

It is one thing to have policy consensus. But there must be action and delivery – otherwise the critics of “practical reconciliation” will be justified in their criticism. As far as me and my colleagues in Cape York are concerned, the critics of “practical reconciliation” are often wrong in their criticisms of the strategic focus of the Commonwealth Government – but there is a danger that they will be proved correct because of the failure of the Commonwealth bureaucracy to deliver on partnerships. As I said earlier in my presentation, there are also serious question marks over whether the Commonwealth is willing to work closely with us to develop welfare reform initiatives that are tailored to address the particular distress we suffer as a people in our relationship with the welfare system in this country.

For many people who have worked in indigenous affairs today’s release of the Productivity Commission’s report, must seem like Ground Hog Day. The fact that we have many false starts in the past, and that many of the things we invested in have not produced the changes that we wanted, we must resist cynicism. Scepticism by all means, but not cynicism. There will be a growing tendency on the part of “realists” to talk down our potential as a people and what we can do if we put some basic and modest building blocks in place.

Coming from a two bedroom fibro hut with no hot water and seeing your father run a subsistence piggery that added to his income as a lowly paid butcher – and your two Aboriginal parents making sure you went to school and you learned how to work, and constantly impressing upon you the importance of reading – I know only too well the harsh realities. What I will say however is that it is amazing what an illiterate mother and a bible-reading father can achieve, not matter how poor they are. We must not be deterred by the failures of the past.

Let me conclude by saying that non-indigenous Australians are privileged because you have a resilient society and economic and political system. Your society is founded on the rule of law, economic freedom and other time-honoured principles. In hard or dangerous times, your people's resolve to preserve your families and your people will be channelled through your strong societal institutions, and the country will be able to weather the storm. Of course there are social and political conflicts, but your society and economy will not fall apart. Most of the time, a competent national leadership will emerge through the democratic process to lead the country through the social, economic and security problems and challenges which a nation more or less constantly has to face.

Indigenous Australian's don't have that fundamental security in our lives. Aboriginal Australia was once ruled by our Law, but the Law no longer protects our society from disintegrating. We are now part of the same nation as you, but no matter how life-threatening the crisis in Indigenous Australia becomes, the country fails to defend the weak and vulnerable.

One of the two peoples of the luckiest country on earth lives in one of the lowest gutters of this planet, and the great legal, societal and democratic institutions of our civilisation have not worked to relieve their suffering.

That is the contemporary Indigenous experience. That is the source of our determination.

We will restore the Law. We will make work and responsibility the foundation of our society. We will succeed with partnerships with people and organizations of good will.

Thank you.