

Welfare Reform and Economic Development for Indigenous Communities

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Introduction

Good evening, let me first acknowledge the Indigenous people of Sydney and honour the traditional heritage of this fair city. Two indelible heritages met in this place, the ancient heritage of this country's original peoples and the heritage of Britain. Patently, Australia's foundations rest on these twin pillars: its Indigenous heritage and that of Britain. Much has been built upon these foundations, but it is these two heritages that were present at the beginning of the enterprise that became Australia. These two heritages remain at the centre of this nation's heart and will not pass away with the fluxion of time. Let me suggest that this simple acknowledgement of the country's twin foundational heritage is key to thinking about reconciliation in Australia.

Let me also thank Greg Lindsay and The Centre for Independent Studies for hosting this evening and affording me the privilege of addressing you. I want to especially acknowledge Helen Hughes, whose collegial, if bracing, advice to our institute in Cape York on a project looking at the economic viability of remote communities I found refreshing and indispensable to our thinking.

My purpose tonight is to set out a case for a comprehensive reform agenda in Cape York Peninsula. I will start by setting out a new framework for approaching the issues of disadvantage and dysfunction in the Cape which is derived from the work of

Amartya Sen, the Nobel Prize-winning economist. This framework reinforces our view that the first cause of the current crisis is a lack of economic and social development compounded by a system of delivery of services and income support that encourages passivity in its recipients. The Cape York reform agenda therefore needs to focus on developing a real economy in Cape York. I will then outline how this framework sets out a specific reform agenda across a range of prerequisites for economic and social development. I will conclude with some further comments about two critical components of the agenda, namely welfare reform and land reform. The reason for emphasising the importance of economic and social development is not that this is more important than culture, but that without economic and social advancement, Indigenous Australians are more likely to lose their heritage and identity, not less.

The capabilities framework

Let me talk about what we call the 'capabilities framework'. We are using a new conceptual framework for analysing disadvantage and dysfunction in Cape York, as I said, derived from Amartya Sen. He elegantly defined our end goal: to ensure that the Indigenous people of our region have the capabilities to choose the lives they have reason to value. It is not about making choices for people, it is about expanding the range of choices people have available to them. Let me suggest at this stage that perhaps one of the failures of the previous policy paradigm was that it accepted that Indigenous peoples in remote areas of the country should be able to choose the kind of life they would prefer to pursue, whether it be a traditionally oriented life or a life integrated in the mainstream society and economy. One of the difficulties of that old paradigm, while it contained the important principle of choice, was that it was not serious about developing the capabilities necessary for people to make effective choice. Without education and a whole set of other capabilities, Indigenous people in remote areas were left with only one choice and that was to stagnate in what would eventually become the outback ghettos with egregious social problems that we lament today.

Capabilites indicators

The new conceptual framework—concentrating on capabilities—provides a very useful organising principle for our enterprise in Cape York and for a set of social and economic indicators that might guide us. This basic set of capability indicators includes employment, income (and it not just the level of income that indicates the consumption possibilities, but what source the income is derived from), wealth, income passivity, health, safety, housing, basic infrastructure, education, social capital and governance. Importantly, this framework emphasises that people’s range of issues and choices is enriched, not only by income, but also by other capabilities such as education, health and community order. If it was just a challenge of income, we could solve the Aboriginal problem tomorrow. There are a whole set of capabilities other than income that are absolutely critical for social and economic development to take place. Passivity is specifically included as a negative capability in our framework because we have taken from our analysis the fact that it is the nature of the income that our people receive that is absolutely fundamental to understanding its effect within our communities. Passive income is not a sustainable basis for a society in the long term.

Now it is clear that current capabilities in my home region are in extremely poor condition.

- In employment, compared to the Australian average, our capabilities are very low. There are very few real jobs, excluding the two-day work-for-the-dole scheme.
- Incomes are very low. Average personal income is around 60% of the Australian average.
- Wealth is very low. Very few basic assets are owned by our people.
- Income passivity is very high. The majority of personal incomes come from welfare or pseudo-welfare.
- Health is very low and the life expectancy of our people in Cape York is probably less than 50.
- Safety is very low because there are high rates of property damage and violent crime.

- Housing is very poor. Low-quality housing is coupled with large household sizes.
- Basic infrastructure is very low.
- Educational achievement is very low, with very low rates of attendance, and very low rates of completion.
- This compounds into a social capital deficit within our communities as well: low rates of social responsibility, and community involvement.
- And finally, governance is very poor, filled with intensely political debates and conflicts of interest.

Importantly, the capabilities approach that we have adopted emphasises that in Cape York poverty needs to be understood in broader terms than income. For people to lead lives of their choosing, capabilities beyond income must also be developed. Cape York people have been denied the opportunities to exercise the substantive freedoms in their lives that most mainstream Australians take for granted.

Constraints on capabilities

Now there have been, and are, constraints on capabilities. The basic life choices available to Indigenous people in Cape York Peninsula are severely constrained. The first group of constraints centre around the experience that Indigenous Australians have of national institutions, such as the political process and the judicial system, which can sometimes be radically different to the mainstream, and can impose a high-level constraint on the opportunity to lead a rich and fulfilling life. We struggle to make government work for us. We struggle to make systems and institutions work for our good.

The second set of constraints for people who live in isolated communities is that they have fewer employment opportunities and less access to education, healthcare, transportation, leisure activities and other services. These are the challenges of remote communities, be they Indigenous or non-Indigenous.

A third set of constraints centre around behaviour, because a person's behaviour can significantly expand or limit his own set of

capabilities over time. In particular, passivity or substance abuse can significantly undermine other positive capabilities over time, especially health, social capital and education.

Let me now articulate a basic metaphor that I have developed in relation to our strategy in Cape York Peninsula. Rather than a ladder of opportunity, I envisage a metaphor of stairs of economic and social improvement. The foundation for those stairs has got to be the re-establishment of basic social norms: basic, social, cultural norms that underpin any society. These are a set of social norms that most Australians take for granted. They are inherently conservative. They require people to observe some basic rules that society expects of its members in relation to mutual responsibilities, in relation to public order and safety, and in relation to expectations that society has of its members in relation to their children and their upbringing.

Those basic social norms have been corroded by a history of the rise of epidemic substance abuse and passivity. They need to be reconstructed as a first step. This is unpalatable, in my view, when I talk to Australian audiences who have come to rely upon these social norms by assuming their existence. You don't know how much you rely upon the strength of those social norms in the locations in which you live. If you really want to understand what we are talking about you need to talk to people at the grassroots level where those social norms have collapsed. It is an exercise that is sometimes labelled as paternalistic or conservative, but it is something that we can't resile from undertaking. The foundation of any functioning community has got to be congregation around a set of social and cultural norms to which everybody is enlisted.

Upon those foundations we need to build and invest in the support structures for the staircase. Those support structures are what we call the capabilities—education, health, infrastructure, land reform. All of these investments are necessary in order to support individuals and families.

Finally you need those capability investments to be priced right. The incentives need to be rational, so that you then can get individuals and families voting with their feet, to ascend the stairs of opportunity. Ultimately, improvement in the lives of our

people will be a decision made by individuals and families. It is families who climb stairs. No one has come up with a mechanism for social uplift that involves a mass elevator for a community to ascend all at once. Stairs are climbed by families urging their individual members to climb with them and investing in them to be climbers. That's our three-part metaphor: a strong foundation of social norms, a generous investment and an iterative investment in opportunity and capabilities, but at the end of the day creating a circumstance where individuals and families choose to improve their lives.

Building capabilities through social and economic development

To combat the lack of capabilities in Indigenous communities, policy has traditionally targeted the most obvious source of incapacity: namely, the lack of income. However, over time, as material conditions have improved to some extent in remote communities in my region, wellbeing has actually declined. The capabilities framework provides an explanation for this apparent paradox. First, poverty needs to be understood to be a broader issue than simple lack of income. An approach that relies primarily on addressing lack of income, as I said, will never be wholly successful if the other constraints on opportunities remain unchanged. Secondly all interventions that have reinforced passivity, almost regardless of their direct material impact, have ultimately been damaging to the overall set of capabilities in our communities. The only way to break this vicious cycle of disadvantage and dysfunction is to build capabilities through economic and social development based on people engaging with the real economy. It is the only way to enrich the choices available to people in a sustainable manner.

Prerequisites for development

Now, an initial challenge to the focus on real economy is whether traditional values and social arrangements are compatible with participation with the mainstream economy. In particular, some commentators have identified:

- Tensions between immediate sharing and individual accumulation within Aboriginal cultures;
- Loyalty to kin versus impartiality to all;
- Individual autonomy and the authoritarian practices of the school and workplace;
- Individual advancement and remaining at one with the community; and
- Exploiting land and living with it.

In my view these are legitimate tensions that should be seen as challenges rather than insuperable obstacles.

However, there are also substantial challenges to growing a real economy in Cape York on mainstream economic grounds. A consensus set of prerequisites for economic development are:

- Incentives for people to benefit from work.
- Incentives for people to be educated and healthy. There must be good governance.
- There must be access to financial capital to build assets.
- There must be good infrastructure.
- There must be social capital and order, respect, trust, accountability and enforcement of law.
- And finally there must be protection of property, the legal protection of individual ownership.

Now when we assess these prerequisites for economic and social development in our home region we find a poor situation. In relation to incentives for people to benefit from work, we find that welfare payments dilute incentives to work and to study. Obligations from family members can result in high effective tax rates. There are a whole range of income management issues. When we look at incentives for people to be educated and healthy, we find that there are low levels of health and education infrastructure and service delivery and low returns on education. A limited portion of the set of prerequisites is set by our geographical or historical context. History and geography are of course explanations for our condition.

But most of the set that we have discussed is able to be influenced by changes in outlook or policy, and hence sets a specific agenda for economic and social reform in our community. There is work under way in Cape York across the whole agenda which spans the whole range of fundamental economic and social relations in the community. There is also work under way considering the staging and co-ordination of these reforms. In addition substantial work has been done in mapping out scenarios for what a real economy might look like in these communities. Importantly, this work suggests that remote communities can choose to build a real economy under most circumstances. However, viability will depend on the maximisation of opportunities through education and mobility, pursuit of local development, and removal of passivity from continual sources of external support. We say that the viability of remote communities is not assured, rather it is a choice that those community members will need to make on the basis of maximising education and capacity of mobility.

Welfare reform

Let me now briefly close with some discussion of our welfare reform ideas. I have long distinguished between classical welfare, that is the supports that society gives through the taxation system, which spreads opportunity throughout society, in health and education, and which enables people to participate in the economy, versus our experience of welfare, which has been in the narrow area of income support on a perpetual basis. We argue in Cape York Peninsula that the kind of deep reform that is needed to the way in which welfare interacts with our community will require much more fundamental reform than is proposed or will ever be achieved in the mainstream community. Mainstream welfare reform will only take us so far in achieving the goals that we have set,

So we therefore propose to the Federal Government that we need a new deal on welfare for our region on an opt-in basis. We propose to the Federal Government that communities such as Cape York Peninsula should be able to put their hands up and say 'We want a new deal' on welfare. We voluntarily want to enter into a

new relationship with the welfare system in Australia, so that we attack the deep disincentives that exist for our people in our current circumstance. Importantly, as I say, any such new deal on welfare needs to be on an opt-in basis. Communities need to come forward to say that they want to see these incentives fundamentally restructured in their communities. It shouldn't be imposed from outside. This is an important proposition for the Federal Government, because for us to rely on welfare reform in the mainstream to achieve the changes we desire will not be sufficient. The mainstream Australian community is not really interested in these questions of passivity that we have talked up hill and down dale about over the past five years.

So communities such as my own need to be given the capacity to say 'We want a new deal on welfare, where welfare represents support for people to participate socially and economically in Australia, in their own country. We want welfare to be a transition to economic development. We don't want welfare to be a perpetual destination.'

Land reform

Finally, on the issue of land reform, there is no question that communal title is integral to Indigenous culture. It is a principle founded in the common law, and which has been reflected in statutory law in this country for a long time. But it is equally true that transferable property rights are integral to development. The development literature on experiences right around the world is compelling in this regard, as set out forcefully in the work of Hernando de Soto. The challenge for the reform agenda will be to reconcile the two apparently contradictory principles: to preserve the culture of communal tenure whilst enabling maximum individual and private economic use of the land. There is clearly then an urgent need for Indigenous people to have a real economic stake in their own homes, so that they take pride in and care of their homes. The failure to take responsibility in this area seriously undermines legitimate expressions of concern about overcrowding and insufficient housing funds.

Now the late Professor Bill Stanner was prescient in some unpublished advice on this whole question about traditional culture and development, when he wrote in a note in 1978 as follows. He said,

the social situation of many Aborigines will change with rapidity over the next decade. Many will die wealthy, in possession of money or other assets, for which their traditional law provides no disposal procedure. There will be conflicts of interest between Aborigines which may be insoluble, unless their own doctrine of what I have termed rights, duties, liabilities and immunities can be developed.'

Importantly he said, the 'Aboriginal problem' thus goes beyond the retention of their traditional lifestyle. There is a problem of development as well as one of preservation.

I was absolutely floored when I read Professor Stanner's longstanding advice to all of those who have hung around Indigenous policy all these years, who have failed to confront this issue, that there is a problem of development as well as one of preservation. Too much of the policy of the past three decades has been concerned with the problems of preservation rather than facing up to the real challenges, the real dilemmas and yes, perhaps, the real threat of change that development may necessarily involve. It is the task of confronting Professor Stanner's advice that we have set ourselves in Cape York Peninsula when we think about land reform.

It is clear that much more innovative policy thinking is needed in hammering out the terms of the reconciliation between the inescapably and importantly communal nature of our culture and our land tenure system, but also the imperatives of economic development, which suggest that individual and private use of land is critical to development.

Conclusion

Let me thus close with some comments about why I feel optimistic that, if the present government engages with us in a programme of radical reconfiguration of the way in which the welfare state interacts with our people, that we will see success in short order. I have said to colleagues that I was extremely struck by anecdotes from some parts of the former Soviet Union when reformists, with great trepidation, finally closed down the old price control boards and let the market free. These decision makers who had taken these decisions waited

anxiously for what would happen when they got rid of central control. All these markets started springing up in the streets, and all kinds of needs began to be answered by the ever-growing response of the market to the needs that people had.

I believe that if we get prices right and we get the incentives right, that we will see a flowering of social development and change in short order. We will get people acting rationally in the interests of themselves and their own families. One of the great paradoxes, the great tragic paradoxes, that I face every day on the streets of my home region, is how people who have such tender love and regard and infatuation with their own children and their own families can then act so detrimentally in their interests in the way they spend their money and in the way they prioritise their time, and in the way they divert their attentions. It's a great paradox. So much love, and yet the incentives are so tragically misaligned that that love does not translate into a full tummy for a child, or to attending school at 8.30am when the bell rings. The incentives are capable of destroying the tender love of mothers for their own.

Until we overcome the structural barriers that stand between those community leaders that concur with me that we need fundamental reform in this area, until we bust through in our submissions to the Federal Government, that there must be deep, comprehensive and fundamental reform in the way in which welfare interacts with our people, we won't see that efflorescence that I talk about: the flowering of normal regard, when people start climbing the stairs because they want to improve their lot.

Finally, let me say that an important part of the political success of the proposition that we are putting forth is an opt-in arrangement. I think it's important that an opt-in system be developed, that regions around the country can put their hands up to the Federal Government and say: 'We wish to treat with the Federal Government on a new deal. We want the rules to be different, because we need the rules to be different, given the state of our current dysfunction and the current misalignment of incentives that exist.' It's important to understand the opt-in nature of our proposal, because we don't want to impose our imperatives on other communities who have

their own leaders and who perhaps have their own analyses of the problems and their own prescriptions for solutions. At the end of the day, it is going to be Indigenous leaders who count the people and the places as their homes who need to put up their hands and show the leadership and say we want a new deal. I can only do that in relation to my own community in Cape York Peninsula.

We also cannot rely upon, as I said, the modest reforms to welfare that will take place in relation to the mainstream community. If the tinkering with welfare that takes place with the mainstream community is all that is offered to us, well then we will see a perpetuation of the Aboriginal problem for as long as we do nothing about it.

Thank you.

Questions

Q: Vanessa Jackson. My impression from the media is that discussions with the government are fairly advanced. From your wrap-up remarks I get the impression that discussions are still near the starting line. Is that the case, or are things more progressed than that?

NP: We're progressing things and I'm maintaining the full court press on the Federal Government on this question, because I think we ought not be satisfied with a tinkering of the welfare arrangements that affect us. We need fundamental reform and we are in the process of engaging the Federal Government on our ideas and the changes we would like to see, but they are far from assured of success. So we still have an exercise to convince government of the changes we would like.

Q: Ian Lynn. Fundamental to all this as we look into the future will be economic development. It seems to me that until your committee can actually compete in mainstream society there will always be something akin to some form of welfare. The way your community will have to do it is to come up with new ideas about what they can do, not follow others. Do you have any group that is looking at the innovations that can occur within that type of structure during this transition period of totally new ways of how you can compete in mainstream society in an economic sense?

NP: We are at a very fledgling stage of looking at local development opportunities through more innovative eyes. We say that an important part of our engagement in the real economy has got to be mobility for a start. We have got to have the capacity to travel to centres of economic growth. Our children have to understand that if they have desires, then they need the capability to be mobile and to go where the jobs are and where the opportunities are. This is an important ingredient in economic development of Cape York people. So mobility is an important part of our thinking.

Both at very low levels, entry level work, not the least fruit picking, for the absolutely unskilled, fruit picking as a way out of Cape York for young people to at least gain the ethics and habits of work, but also of course at a much higher level, kids who have gained an education and pursue work and opportunities outside our region. They are still Cape York people. I am sitting down here at the ASX, very anxious and so on, but I am from Cape York. I am part of the Cape York community. There are now growing numbers of Cape York people who are actually mobile and who maintain a connection with their homes, but who are out pursuing careers.

But one of the challenges, of course, is eventually to exploit local development opportunities on our homelands. But in order for those opportunities to be exploited you need a highly capable population, people with skills and education, to take advantage of local development opportunities.

Q: What, if any, role does the national reconciliation process, however that is defined, play? What intersection is there between that and the sort of ideas you are grappling with in building the stairways of opportunity. How have you moved personally with that process?

NP: I think that the reconciliation process is important at a number of levels. Firstly, I think that we need to get some kind of general consensus that rights and responsibilities ought to run in balance. Government—all of us—ought to have a conviction around the need for both rights and responsibilities. We can't just embrace a

responsibilities agenda and trash rights. We actually need both rights and responsibilities, in balance, in order to move forward. I see reconciliation as very important to establish that understanding: that rights, responsibilities, symbols, and practical change have got to be in balance. What the PM said at last May's reconciliation workshop—when he said these are the four pillars: rights, responsibilities, symbols and practical achievement—seemed to me to suggest the very kind of framework that we can move forward on in relation to reconciliation. It is important that we get a consensus at a high level in this country, that the parameters of Indigenous policy should be on this keel, and we should stick with this keel until we break this life expectancy deficit.

Q: Rosie Southwood. Do you have any advice for non-Indigenous people who would like to engage in Indigenous community development at a grassroots level?

NP: There are great opportunities for partnerships between the mainstream community and Indigenous communities. We are working on a whole range of fronts that I can't express to you in the short time we have. I just urge that there are many things that the mainstream community can do to open the doors of opportunity. I just want to say at this point that there is a great deal of a sense of alienation and trepidation in our community about engaging in the mainstream community as well. The mainstream community has got to be more generous in opening its doors for Indigenous people to participate. I really think Australians need to have a quiet reflection on the difficulties that 2% of the population has in walking through the doors of a prosperous country such as ours. I'd say to individuals, and also to institutions, that we need a concerted effort to open the doors of access, networks, opportunities and ideas that people in the civic community and also from the corporate sector might have to offer.

Q: Caroline Overington (*The Australian*). Prime Minister Howard has recently put forward a plan under which Indigenous Australians

would be able to lease or sell land that is currently community owned. Professor Dodson said that plan is racist or that it amounts to forcing Indigenous communities to assimilate. What is your view?

NP: The mechanics of how the community consents to a scheme for individuals to obtain long-term leases has to ensure respect for the communal title. Yesterday in Hopevale the communal title holders were the ones proposing to the PM that individuals within their community should have a private interest of some long-term lease for their own housing and also for businesses. So, provided that respect is accorded in the process, to the trustees of the communal land and the traditional owners, I believe that the business of giving some kind of private stake in homes and in businesses is an important part of the development picture. It's a real impediment at the moment that we don't have any kind of family stakeholding in the homes in which they live. In Queensland the life expectancy of an Aboriginal house has been suggested to me by the relevant Queensland minister as less than ten years. That is a real indication of the fact that the families who live in them have absolutely no skin in that house. It has just been provided on a plate and, unless we get some skin in the game, on the part of the families, then this problem of house deterioration and so on will continue.

Q: John McCarthy. When you talk about reform, first of all, what's the consensus in your own community about what you are planning to do? It seems to me that there are more hurdles, difficulties and problems for the Indigenous community than there are for the wider Australian community in what you are proposing. Do you have your people behind you over this? Secondly, when you talk about reform, in the wider area concerning welfare, what are you talking about in terms of legislation? Is there any legislation that you really need, or are you really talking about arrangements over how welfare may be administered? Thirdly, obviously this isn't out of dreamtime. What sort of analogies, in terms of Indigenous communities, do you have in mind? Do you have something from Canada, the US, or the Pacific islands that points towards where you want to go?

NP: On the last question, we are cognisant of other Indigenous peoples from communal cultures grappling with the very same issues that we are trying to grapple with in Australia. Many of the ideas around long-term leases and so on have been developed in North America and the Pacific as solutions to this reconciliation between communal tenure and private enterprise.

In relation to the question of legislative change, I think ultimately the laws in relation to the inalienability of payments will be an issue that our reform proposals will hit up against. Communities want the capacity to redirect welfare payments from recipients who are not using them for the benefit of their family or their children. So there are blockages in the existing legal framework which will need to be considered by the Federal Government in permitting communities to be able to intervene.

Can I say that we should support families in the early stages of a problem. We should intervene and make sure they are not neglecting their kids with food, or attending school or something. Because it's not as if the system never intervenes. The system intervenes late in the day when the kids have got to be taken off them and put into foster care. So the system does intervene, and the perversity of the current system is that we give absolute *laissez-faire*, we don't want to intervene, because we don't want to be paternalistic, but we intervene when the child protection officers come in and finally take the kids away because they are hungry and destitute.

I would prefer some more intervention at the earlier stages, so that you put families on track, and you make sure that the management of income exists, which is the absolute starting place for family function. They have got to manage the money. That's where the food for the kids comes from, where attendance at school happens, and so on—managing the money. I would rather be a bit more paternalistic in the early stages of an emerging problem within families rather than not do anything because we don't want to be paternalistic. Because at the end of the day the ultimate paternalism is enacted. That is, children are taken away from their families.

In relation to the first question, can I say that the challenge is as sturdy for the mainstream community as it is within our own. We

have been able to muster up a growing consensus of community leaders around our welfare ideas in my home region. I don't say that there is brilliant consensus around the countryside, and enthusiastic support for our agenda on welfare from around the country. In our own community we have worked hard to build a consensus in leadership. But we have to convince bureaucrats and a whole lot of people in the white community about the importance of the agenda we have set ourselves. In my experience they represent a much more difficult hurdle for us in pursuing the changes we would like than people within our own community.

For example, I have seen and paid great respect to the work that Mick Mundine and his community have tried to tackle in relation to drugs. The desires of leaders such as Mick hit up against the ideological positions of the mainstream bureaucracy, the mainstream community and so on. You can get Indigenous people on the same page about changes, but trying to convince the wider community that we have to take substance abuse seriously, and we don't want needle disposal buses congregating around our housing estate and so on—these are issues where Indigenous people end up hitting up against the objections of the wider community.

Q: Would you like to comment on an interview in which Marjorie Woodrow was claiming stolen unpaid wages and entitlements? She wouldn't be on a pension now, had she been paid those wages and entitlements when they were due to her over 40-50 years ago.

NP: It's shameful what's happened with Aboriginal income that was managed by the state against their will, and misapplied, misspent and lost by the state. Proper reparation is required for what has happened. I count my own father, grandfather and uncles as people who had their income managed, and their income waylaid by the Queensland government. There is an issue of justice involved in claims like that. But can I say that, in relation to schemes that have been set up so some form of reparation can be made back to people who had their incomes mislaid, that even when governments have organised for payments to be made back, the chief beneficiaries of the payments

have been the TAB and the pubs. So an act of reparation turned into an act of compounding a social problem, because the Reparation Act has come at a time when the \$7,000 for example, in Queensland, got lost in two or three days.

That's why I have an urgency about addressing the social problems, because even if you achieve acts of justice, in relation to reparations, the benefits of them are short lived.

Q: Miranda Devine (*The Sydney Morning Herald*). What solution do you see to the problems of Indigenous children not learning to read, especially in remote communities?

NP: We have an incredible gap between grandmothers who can read the Bible backwards and write beautiful letters, who can use their English language and their own language with equal facility, and their grandchildren who can't. Their grandchildren are flat out writing their names on the unemployment benefit form. So there has been some kind of collapse in the capacity to teach reading to Indigenous kids in our home region, which we are urgently setting about trying to resolve. How is it that these, what my father used to call 'two-up schools', where you go to grade two, produced readers, and our current education system is not succeeding? That is something we are definitely confronting in Cape York.

Q: Frennie Baytagh. I'm just wondering why you brought up that the housing didn't last for 10 years. Did you find out what sort of housing was built? How did they help them keep the housing in good nick? Has the housing been built to Aboriginal standards? I haven't heard you say anything positive about the Aboriginal people.

NP: I am sorry you gained that impression. I think with the housing issue, it's the reality that unless people have some kind of stake in the home in which they live, then you can't get pride. You can't get people taking care of the home, and that's the main problem. I've seen families move in and out of a house and they are not just the

exceptions, they are the rule, and we have to confront that reality. When I talk about the realities, it's not that I deny that Indigenous people don't have love for their children, and don't want a better life, the fact is that the incentives are wrong.

If you are going to hand out a house, and you demand no skin in the game on the part of the recipients of the house, and they destroy it in six years, and then you build another one, there is some point at which we have to say: 'No, we need a new approach to this problem.' It's a real dilemma for Indigenous leaders. How do you get change happening without talking about the reality? I'd like to effuse with you about how delightful things are in Cape York Peninsula, but I go to Hopevale every weekend, and I despair sometimes.

Q: Carolyn Boyd. I know you have a long way to go in Cape York Peninsula, but I wonder if you would share with us some of your success stories in terms of education programmes and so on.

NP: In relation to our concept of orbits and young people being mobile and so on, we have kids who are bilingual and are at university. We have kids in the national rugby league competition. We have young people who are famous artists in Paris and New York. They have travelled there, sold their art there, and have amazing experiences. We have apprentices and tradespeople who work in the mines in the Pilbarra, in Groot Eyland and Port Hedland. We have already got indications that if we invest in capability development, in education, we can turn this minority into a majority experience. These people are not identityless. They have not lost their contact with their homes. They have not lost their culture. But an important part of the future of remote communities will be education and mobility.

I think there are very good reasons for us to be optimistic that we can keep our culture, but we can also get on top of our social problems by engaging in what this country has to offer.

Q: Phoebe Ashton. Can you expand on the importance of Aboriginals from remote communities having educational

opportunities to enable them to become the interface with the white community, particularly with regard to health?

NP: There are some powerful resources that we can draw on for change, not the least of which is the regard of mothers for their children. In relation to every successful educational exercise that I have seen, it has usually been a mother or a grandmother who has had some kind of hope for the child, and she has sought out every opportunity to get her child educated. I was really struck by something Lee Kwan Yew said once, and that is that Singapore's success is really to the credit of the mothers. He got the mothers to understand the importance of mathematics and science. If you can get the mothers behind their kids, and preferably the mother and the father, that is a powerful resource for improvement in health and education.

To support that kind of 'voting with your feet' behaviour, we have got to make the incentives better, so that it is rewarding to work, and people can see very clear results for pursuing education, rather than staying on the 'work for the dole' programme. That's a structural challenge we face, and that is why we require the support of the Federal Government.

Vote of Thanks

Steven Skala

Thanks Noel. Thank you Greg. It has been my privilege to have had the opportunity to work with Noel for over 14 years, and I must say that each time I listen to him, it's always humbling and uplifting. It's humbling because of the enormity of the chore that Noel has taken on his shoulders. A passionate cause, the important cause, that a man of his extraordinary ability has taken on—it's remarkable. It's uplifting because of the integrity and quality that Noel brings to the task. I am sure I speak for everyone tonight when I observe that watching your ideas evolve is a great thing. A truly great thing.

The basic thesis of your speech tonight, I think you explained, was that your aim for your people is that the people of Cape York Peninsula should have the capability to choose the lives that they have reason to value. That is a very powerful proposition. If you think about those words, they are dense with meaning. You have taken your ideas to arguing the case for Indigenous people engaging in the real economy; in establishing that this creates sustainable outcomes.

Noel, you said that today that you wanted to state the case for a comprehensive and fundamental reform in the Cape York Peninsula. I actually don't think you have stated just the case. I think you have also set out the business plan. I think that's the big change. The big change is that we've moved the ideas away from what we should be doing, we have taken the ideas of Noel and of Sen and de Soto and

we've moved them towards outcomes, towards solutions, towards action plans.

You have talked about the potential of the use of land, the private use of land. It's a very different kind of outcome from the kind of outcomes we've talked about not that long ago. You've discussed the fact that there is a recognition that these are problems of development, not just problems of preservation. This is new thinking; there are new solutions. My summary of the whole of this evening is that it's quite clear that change is in the air. It's going to happen. It's a very optimistic outcome.

I would ask you all to express your appreciation to Noel.



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