

## The Economics of Indigenous Deprivation and Proposals for Reform

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EXECUTIVE SUMMARY

The 450,000 Australian Aborigines and Torres Strait Islanders who make up Australia's Indigenous population fall into two roughly equally sized groups: those in remote communities, fringe settlements and capital-city ghettos, and those integrated into the mainstream economy in capital cities and towns in regional Australia. As a result of separatist policies, those in the first group have been denied the economic opportunities of other Australians so that they are almost entirely dependent on welfare. In the midst of Australia's plenty, their living standards—nutrition, housing, health, education and personal safety—are as deprived as those of some of the most disadvantaged people in the Third World. Indigenous Australians integrated into the mainstream economy, in contrast, have prospered, like other Australians, with the sustained growth of the last 30 years.

Deprivation in remote communities, fringe settlements and ghettos does not result from a lack of federal, state and territory expenditures, but from the socialist remote communities' experiment that has been central to Australian separatist policies for Aborigines and Torres Strait Islanders for 30 years. The uneconomic remote homelands movement and the absence of private property rights under native title legislation are at the core of deprivation. In addition, separate education, separate public housing, separate healthcare, separate governance and separate law have deprived Aborigines and Torres Strait Islanders of employment and decent incomes, making them welfare dependent and destroying their families and their communities. Substance abuse and violence, particularly against women and children, inevitably followed. Small elites have been able to appropriate the bulk of royalties and other rents accruing to land, and, together with non-Indigenous administrators and service providers, absorb a high proportion of the taxpayer transfers to Indigenous communities.

Remote Aboriginal and Torres Strait Islander communities are beginning to demand education, productive employment opportunities with mainstream earnings, decent health, decent housing and the same security that other Australians enjoy. Media exposures are awakening non-Indigenous public concern and reaching the world, to Australia's shame. Reform of the key separatist policies—land legislation, education, housing, healthcare, governance and law—by Federal, State and Territory Governments is at last on the agenda.

Private property rights in land are being discussed in the context of multiple land uses. Tracts of land could become national parks, standard long-term leases could facilitate commercial development, 99-year tradable leases in settlement areas could facilitate housing and there could also be provision for freehold land. A head-start programme for pre-schoolers has to be followed by independent 'charter' primary schools that teach a rigorous curriculum to enable children to move on to integrated secondary schools and thus to post-secondary and tertiary education. The urgent need for private housing is recognised. The case for one law for all has been made. A radical improvement of health

services is being discussed. The mainstreaming of Indigenous governance is at last on the agenda. All these reforms are necessary to reduce welfare dependence.

Uneconomic communities cannot simply be abolished or moved. This would not only cause great hardship, but merely shift Indigenous problems to fringe settlements and ghettos. If remote community dwellers are to be able to opt for a decent life, in addition to policy reform, very considerable investment will have to be made community by community in transitions that will deliver real education, good health services and private housing so that employment can replace welfare. Aborigines and Torres Strait Islanders will then be able to make the employment and lifestyle choices that are every Australian's right. Only then can the future shape of remote communities emerge.

The Commonwealth Government has embarked on transition measures, but present federal, state and territory agendas still largely consist of a torrent of words. A start has not been made on reforming the separatist policies that have created dysfunctional families and communities. Federal, state and territory public servants have not grasped the essentials of the reforms necessary. Fortunately service and other private sector organisations are beginning to engage in overcoming communitarian policies so that Aborigines and Torres Strait Islanders can get jobs, become self-employed, start their own businesses, save and invest, become home owners, access the health system with their Medicare cards in their hands like other Australians, and see their children lead productive and rewarding lives.

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### Introduction

After 30 years, it is clear that the policies that were to give Aborigines and Torres Strait Islanders a socialist utopia in remote communities have been a miserable failure.<sup>1</sup> *Overcoming Indigenous Disadvantage; Key Indicators 2005*<sup>2</sup> lumps together two markedly different economic groups of Aborigines and Torres Strait Islanders, thus understating the acute deprivation of remote communities, fringe settlements and ghettos while largely ignoring the rising living standards of those in mainstream Australia. *Overcoming Indigenous Disadvantage*, nevertheless, underlines that separatist policies have condemned those in remote and fringe communities to dysfunctional and disadvantaged lives, substance abuse and violence. These dismal outcomes do not arise from ethnic characteristics and they are not caused by inadequate taxpayer transfers. They result from federal, state and territory policies that add up to an Apartheid environment similar to that in South Africa. If Aborigines and Torres Strait Islanders are to have the opportunities and standards of living of other Australians, these separatist policies must be abandoned.

A generation has been truly lost in remote communities. Almost half are children and youngsters and their proportion is growing. The education they receive is abysmal. Reformers are faced with very difficult decisions. Remoteness combined with the small scale of Aboriginal and Torres Strait Islander communities was designed to preserve hunter-gatherer 'living museums',<sup>3</sup> without regard to economic or social viability. A great deal of native title land is in areas of little or no economic value, but the absence of private property rights and decent education has prevented the evolution of high productivity and mainstream incomes even in well-located remote communities. Fringe settlements have not been integrated into the mainstream, yet despite their miserable conditions, they are swollen by people from remote communities where employment expectations and living conditions are even more hopeless.

Reforming the policies of the last 30 years is proving extremely difficult and costly because years of counterproductive social development have resulted in low literacy and numeracy, poor health, family and community dysfunction and hence substance abuse and violence. Most men and women cannot express themselves in English so that they have difficulties in following the policy discussions that affect their future. Disadvantage is so entrenched that in addition to policy change, large additional investment is likely to be necessary if there is to be a transition from welfare to productive employment in the proximate future. This has been recognised in the availability of funds for Shared Responsibility Agreements which are, however, only the beginnings of a process of transition. Tying welfare to civic performance such as school attendance and public

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health are useful transitional measures, but unless children start to learn from a useful curriculum taught by effective teachers, they will continue to be bored at school and will still be unemployable.

Economic reform is always difficult for those who lose in the short run because their losses are imminent, while those who will benefit do not see how they will gain. Courageous Aboriginal leaders, notably Noel Pearson, are, nevertheless, attempting to explain the counterproductive economic effects of current policies to make the case for reform. Unfortunately the educational deprivation of the victims of the experiment of the last 30 years makes it easy for the beneficiaries of present policies—who will lose from reform—to dominate the debate within many Aboriginal communities. The non-Indigenous public servants and private service industry ‘rentiers’ who derive comfortable livelihoods from present policies are another interest group vigorously opposed to reform. The preservation of Aboriginal ‘living museums’ is also stoutly defended by academics and consultants whose incomes they substantially boost.

This paper first reviews the geographic and income distribution of Aborigines and Torres Strait Islanders. It then discusses the employment and income outlook for remote communities. The remote community, native title, education, housing, health, governance and law policies and their welfare consequences, are then outlined together with the reforms required to end deprivation and bring all Aborigines and Torres Strait Islanders to mainstream living standards in the near future.

### 1. The geographic and income distribution of Aborigines and Torres Strait Islanders

Although Census data are available by postal districts, the classification of socio-economic characteristics of Aborigines and Torres Strait Islanders presented in *Overcoming Indigenous Disadvantage* is too hazy to be analytically useful. The promise of the title is not fulfilled. There is no indication of the measures necessary to overcome the disadvantages described.

**Table 1. Distribution of Indigenous Australians by geographic area, 2001**

Major cities	123,000
Regional areas	82,000
Outer regional areas	94,300
Remote areas	36,900
Very remote areas	73,800
Total	410,000

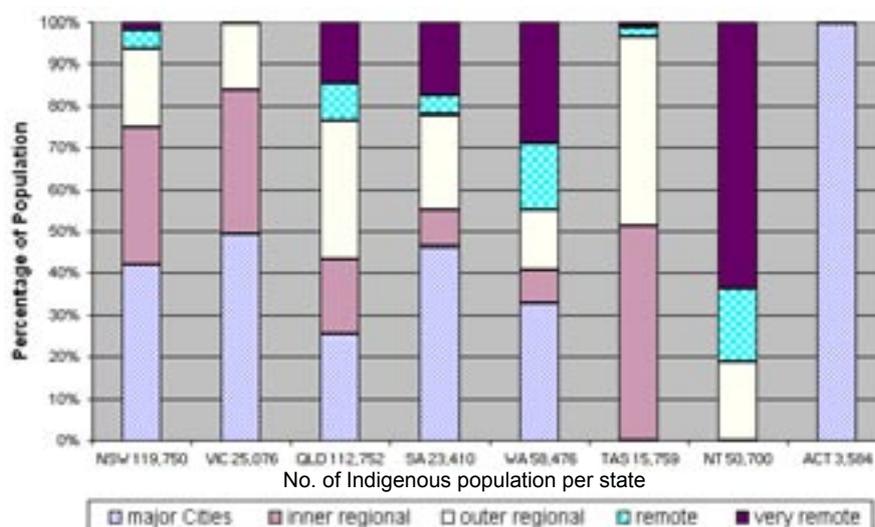
Source: Commonwealth of Australia, Steering Committee for the Review of Government Service Provision, Productivity Commission, *Overcoming Indigenous Disadvantage* 2005, xxi,

The population of some 1,200 ‘remote communities’ is estimated to be between 120,000 and 140,000.<sup>4</sup> This is somewhat more than the 110,700 in the remote and very remote areas in Table 1, but the Census count is likely to have underestimated the latter because of their high mobility. The outer regional areas are presumably mainly fringe dwellers in communities attached to remote Northern Territory, North Western Australian and Northern Queensland towns. Major cities and regional areas appear to cover Aborigines and Torres Strait Islanders living in mainstream communities, though they also include some small welfare-dependent ghettos such as Sydney’s Redfern. Some 40,000 people are missing in Table 1 according to B. Hunter and M. Dungey who consider that the total number of Aborigines and Torres Strait Islanders in 2001 was not 410,000 as stated in the Census, but between 440,000 and 450,000.<sup>5</sup>

Chart 1 underlines the division of Aborigines and Torres Strait Islanders into mainstream city and inner regional dwellers who dominate in New South Wales, Victoria and South Australia and form a substantial proportion of the Aboriginal population in Western Australia. Tasmania’s and the ACT’s Indigenous populations are negligible. Only in the Northern Territory do very remote and remote communities dominate.

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**Chart 1. Indigenous Population Distribution for Region**



Source: ABS Census of Housing and Population, Cat. No. 2002.0, *Indigenous Profile* (2001).

Chart 2 shows state and territory distributions by income earners, reflecting a concentration of high welfare dependence, but also a second concentration at mainstream levels of income. Most of the latter are in the major cities. In other geographic areas the picture is complicated by high incomes associated with the governance of land councils, homelands associations and other organisations as well as some incomes from art and royalties. In the Northern Territory, which has the largest proportion of the Aboriginal and Torres Strait Islander population in remote and very remote communities, there are very few high income earners.

Work force participation data are only available by state and territory and do not distinguish employment by geographic area. Community Development Employment Program (CDEP) jobs have to be subtracted from workforce participation for an indication of participation in real jobs. It is somewhat surprising that workforce participation is below that of the non-Indigenous population even in the ACT where most Aborigines have public service jobs. The explanation is probably the high proportion engaged in political missions. The difference between Indigenous and non-Indigenous workforce participation is meaningless without more detailed geographic data. It is likely that except for the ghetto areas, workforce participation by Aborigines in major cities is not very different from the non-Indigenous population. The Northern Territory figure is characteristic of remote and very remote areas.<sup>7</sup>

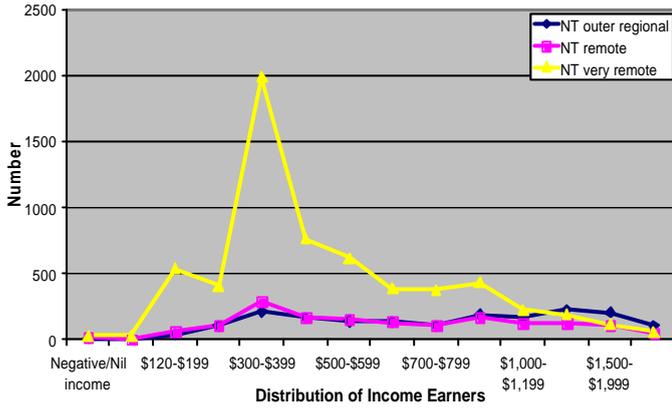
**Table 2. Population aged 15-64 years and workforce participation, by state and territory, 2001**

	Population aged 15-64 years	Work force participation %	Work force participation minus CDEP %
Indigenous			
New South Wales	68,400	54	51
Queensland	64,500	57	49
Victoria	14,600	57	56
South Australia	13,800	50	41
Western Australia	33,900	53	39
Tasmania	900	60	60
ACT	2,100	68	68
Northern Territory	31,000	38	21
Total	237,600	53	45
Non Indigenous			
	11,811,000	74	-

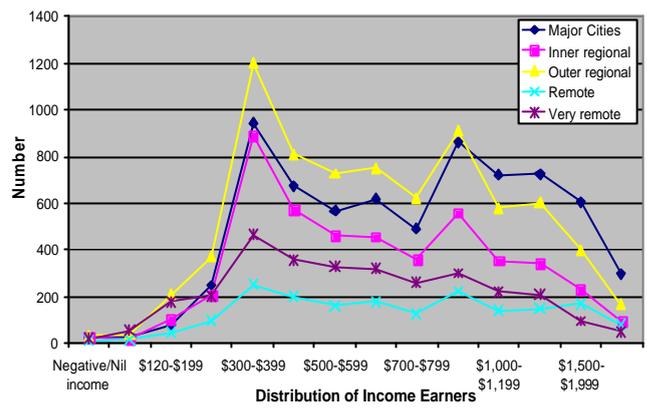
Source: ABS Census of Housing and Population, Cat. No. 2002.0, *Indigenous Profile* (2001).

**CHART 2: The distribution of Indigenous income earners by state/territory and region, 2001**

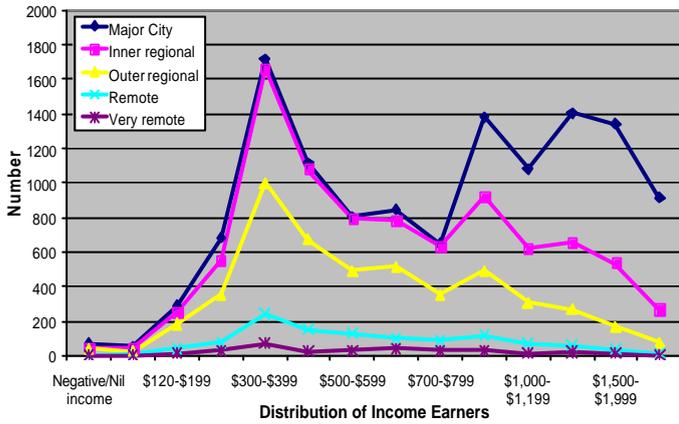
**NT Weekly Family Indigenous Income**



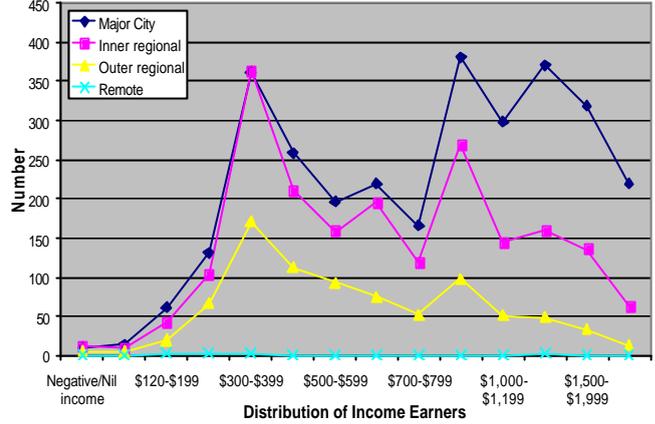
**QLD Weekly Family Indigenous Income**



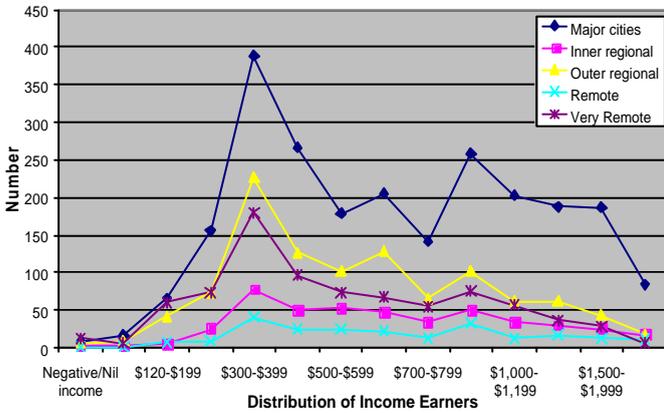
**NSW Weekly Family indigenous Income**



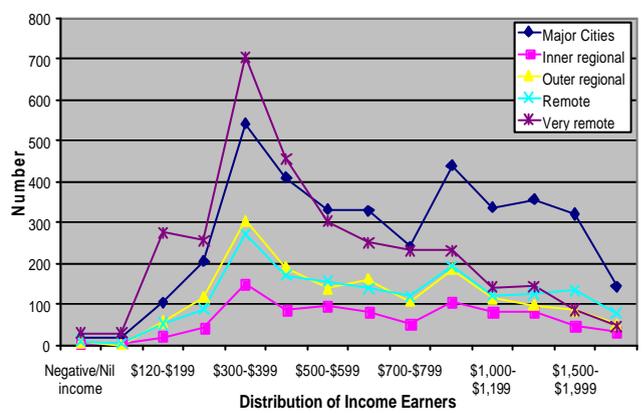
**VIC Weekly Family Indigenous Income**



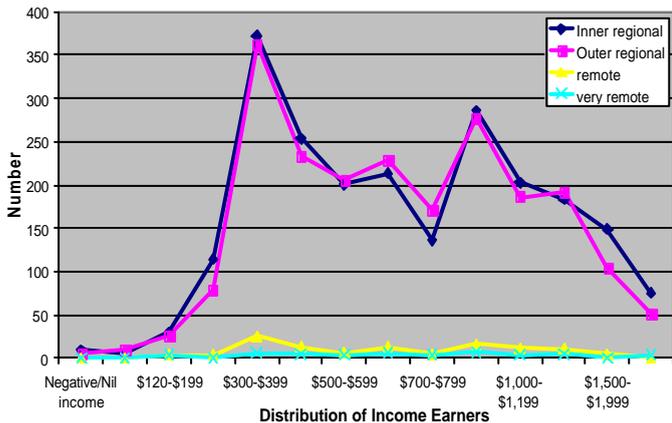
**SA Weekly Family Indigenous Income**



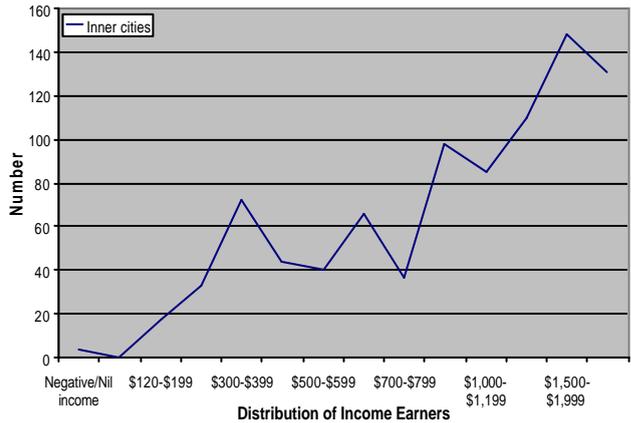
**WA Weekly Family indigenous Income**



**TAS Weekly Family Indigenous Income**



**ACT Weekly Family Indigenous Income**



Source: ABS Census of Housing and Population, Catalogue No. 2002.0, *Indigenous Profile*, 2001

**Table 3. Indigenous occupational distribution by state and territory, 2001 (%)**

	AUS	NSW	QLD	VIC	SA	WA	TAS	ACT	NT
Managers and Administrators	4	4	3	5	4	3	6	10	3
Professionals	11	12	10	14	13	9	8	18	11
Associate Professionals	9	8	8	10	10	8	9	14	8
Tradespersons and Related Workers	10	12	10	13	10	9	14	10	5
Advanced Clerical and Service Workers	2	2	2	2	2	2	2	3	1
Intermediate Clerical, Sales and Service Workers	18	20	18	18	17	17	18	22	16
Intermediate Production and Transport Workers	10	11	10	10	8	9	13	4	7
Elementary Clerical, Sales and Service Workers	9	10	8	9	7	7	12	10	6
Labourers and Related Workers	24	17	27	13	23	30	16	5	35
Inadequately described/Not Stated	5	4	4	5	7	6	3	5	9
Total Number	100,393	28,342	29,291	6,879	5,503	14,477	4,413	1,260	10,173

Source: ABS Census of Housing and Population, Cat. No. 2002.0, *Indigenous Profile* (2001).

**Table 4. Indigenous occupations by industry, by state and territory, 2001 (%)**

	AUS	NSW	QLD	VIC	SA	WA	TAS	ACT	NT
Agriculture, Forestry and Fishing	4	4	5	4	5	4	9	0	2
Mining	1	1	2	0	1	4	1	0	1
Manufacturing	7	9	7	12	7	4	12	3	1
Electricity, Gas and Water Supply	0	1	0	0	0	0	1	0	0
Construction	5	7	5	6	4	5	6	5	2
Wholesale Trade	3	4	3	5	2	2	5	2	1
Retail Trade	9	12	8	11	7	6	17	10	5
Accommodation, Cafes and Restaurants	4	5	4	5	3	3	5	6	2
Transport and Storage	3	4	4	4	2	2	5	2	2
Communication Services	1	2	1	2	2	1	2	2	1
Finance and Insurance	1	2	1	2	1	1	1	1	0
Property and Business Services	7	8	6	9	7	7	6	11	4
Government Administration and Defence	20	9	24	6	20	25	6	31	45
Education	8	9	9	7	9	9	5	6	7
Health and Community Services:									
Undefined	1	1	1	1	2	1	1	0	1
Health Services	5	7	5	6	6	4	6	3	5
Community Services	5	6	5	7	7	5	5	4	4
Total	12	13	11	14	15	10	11	8	10
Cultural and Recreational Services	2	3	2	3	2	2	1	5	3
Personal and Other Services	6	6	4	4	8	1	4	5	8
Non-classifiable economic units/Not stated	5	5	5	5	5	6	3	4	5
Total Number	100,393	28,342	29,291	6,879	5,503	14,477	4,413	1,260	10,173

Source: ABS Census of Housing and Population, Cat. No. 2002.0, *Indigenous Profile* (2001).

Indigenous occupation and industry data support the workforce participation indicators, covering a total of 100,393 persons or less than half the workforce aged 15 to 64. Managerial and professional workers were concentrated in the states that have a substantial number of Aborigines working in the major cities. Public and community services dominated the industrial distribution with low private enterprise participation.

Without a more detailed geographic analysis it is impossible to determine the extent to which the distribution of Aborigines and Torres Strait Islanders who have integrated into the mainstream workforce differs from the rest of the Australian workforce. As many are first or second generation participants in the mainstream and are likely to have less education than other Australians, it would be surprising if their participation was not biased toward low skill and hence low incomes. Their children, however, are likely to have improved opportunities to rise up skill and career scales. In any case, their incomes and living standards are already appreciably above those of remote, fringe and ghetto dwellers.

## **2. Labour markets and future prospects for remote communities**

Their lack of engagement in productive employment whether as employees, self-employed or entrepreneurs, and the resulting welfare dependence and low incomes, are the core causes of deprivation and dysfunction in the settlements created by the hunter-gatherer dispersion movement. Not all these communities are remote. A few are close to mining, tourist and agricultural centres that have a high demand for labour. Employment and entrepreneurial opportunities are considerable and growing overall in Northern Australia. And yet, even in well-located communities, not only is the engagement of Aboriginal and Torres Islander men and women in productive, mainstream jobs negligible, but many of the administrative and service jobs in these communities are occupied by non-Indigenous employees.

Aboriginal and Torres Strait Islander employment is not a demand, but predominantly a labour supply problem. It is exacerbated by remoteness, but not caused by it. Nor is it an ethnic problem. Non-Indigenous welfare ghettos exhibit the same dysfunctional family and civic characteristics with high substance abuse, violence and crime and low workforce participation as Indigenous welfare communities. But in non-Indigenous welfare communities the impact of welfare is mitigated by proximity to working Australians with decent housing and access to consumer goods and leisure. Some welfare victims see the benefits of working and get jobs.

Present remote communities cannot be transformed with the wave of a magic wand. They cannot be abolished and the men, women and children who live in them moved elsewhere. Such a policy would merely be likely to crowd and worsen fringe settlements and ghettos. The Australian body politic that supported the socialist policies for remote communities cannot abandon that policy's victims. The policy issues are those of managing a transition from Third World to mainstream Australian employment and living standards.

Remote communities do not have to have low living standards. Europe has examples of relatively remote communities with high incomes. Some of these, such as the Lapps and others in the Arctic regions, are related to national political objectives and do enjoy large subsidies, but remote mountain villages in Austria and Switzerland have long been based on highly productive crafts, high-tech instruments, tourism and more recently, on knowledge-based computing and other consulting. In Switzerland, welfare dependence was until recently limited because it was administered by local communes that knew who was genuinely in need. There is no reason why similar small settlements should not in the long run develop in remote Australia if current policies that create disadvantage and disability are reformed. While some remote communities may not have an economic and social future, some may become retirement villages and others may be able to develop an economic rationale. The long-term outcomes for individual settlements cannot be predicted for they will depend on the choices, particularly those that children and adolescents will make when they have an education to be able to seek productive employment and decent lives.

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**Even if costs run into hundreds of millions of dollars over the next five years ... it will be a small price to pay for bringing Aborigines and Torres Strait Islanders to mainstream employment and living standards.**

The costs of providing 21st century infrastructure (including water, power, sanitation, communications and transport) and social services (education, healthcare and security) for remote communities are high. They are woefully exacerbated by poor governance and administration that have meant that many utilities and services are delivered badly or not at all and are very costly. The transitional costs of the new investment necessary to make up shortfalls created by current policies and governance, notably by separatist education and health and public housing, will be considerable. Not all these costs need be additional to current federal, state and territory expenditures if policies and governance are reformed so that funding reaches targeted recipients. But even if additional costs run into hundreds of millions of dollars over the next five years, they have to be borne. They will be a small price to pay for bringing Aborigines and Torres Strait Islanders to mainstream employment and living standards.

The problems of labour supply in remote communities are related to the policies that have created dysfunctional societies. Labour entrants are overwhelmingly illiterate and non-numerate, poorly articulate in English and generally uneducated. Most workforce entrants understandably therefore lack self-confidence to an extreme degree and find training on the job extremely difficult. Role models of engagement in the productive workforce are lacking. The prevalence of substance abuse and violence further drains young people of self-confidence and normal work and career ambitions. Indigenous women are restricted by social mores which ignore Australian laws with regard to polygamy and the sexual exploitation of minors. The absence of private property rights means that income earners are expected to share their incomes rather than to save and invest.

These conditions account for the failure of young people to access jobs. In a remote community taking a mainstream job means moving to a distant environment without family or other support. Employers are often wary of hiring such workforce entrants. For older men and women, after years on welfare, entering the workforce is particularly difficult.

Art is the only productive employment activity that matches the current human capital endowment of small, remote communities. Modern communications make it possible for gifted artists to participate in Australian and world markets. Unfortunately, lacking English and numeracy skills, artists are often denied much of the income earned by their work so that they do not access decent living standards and often have to continue to rely on welfare. The remedy lies in transparent accounting that ensures that all sales are clearly recorded and in market competition that limits the earnings of galleries and other intermediaries to a reasonable share of prices earned by art.

The only large-scale employment opportunities for remote and fringe Aborigines appear to be in fruit and vegetable harvesting. The trials conducted thus far have been successful.<sup>8</sup> Public servants serious about 'mutual obligation' shifts from welfare in remote communities should be taking advantage of the fruit picking pilot and organising thousands of Aborigines and Torres Strait Islanders to fill fruit picking needs. Aborigines and Torres Strait Islanders should certainly have preference over schemes to import unskilled, illiterate and non-numerate Pacific Island 'gastarbeiter'.<sup>9</sup>

Labour market programmes are necessarily limited to areas near mainstream jobs. It is not clear that these bureaucratic interventions are cost effective or that the workers they place would not have found jobs on their own. Labour market interventions often represent job 'shuffling' as the bureaucrats who run programmes to assist the unemployed find jobs displace other unemployed people who do not need assistance to find employment for themselves. Using CDEP funding to top-up wages for Aborigines and Torres Strait Islanders to offset their low productivity may be an acceptable transitional measure, but it is easily open to misuse.

Remote Australia has a large demand for labour in mining and this is likely to continue for the foreseeable future. Workers in mining earn well above average Australian wages and salaries. The nature of mining shifts would suit workers who want to spend substantial blocks of time in remote communities, but it would also suit families that want to take advantage of the infrastructure, notably education and health, available in mining towns. The employment of women in heavy equipment mining jobs has proved

successful. But current Indigenous employment, particularly of women, is negligible. Mining is enjoying a very prosperous phase so that mineral enterprises could make a substantial contribution to overcoming the barriers that keep remote labour entrants from accessing jobs in the industry. Argyle Diamonds has taken a major step in this direction in guaranteeing 40% of employment in its mine to local Aboriginal people until it comes to an end of its deposit, probably in 2008 but possibly in 2028.<sup>10</sup> If this employment plan is to eventuate, Argyle Diamonds will now have substantially to improve its inputs into employability programmes designed to meet its target. Other mining corporations that are developing Indigenous employment programmes will also have to engage in overcoming the disabilities that currently impede Indigenous employment in their industry. Remote community mindsets will have to shift from negotiating high royalties to accessing mainstream jobs. If the Boards of mineral enterprises in remote Australia adopt serious measures to overcome barriers to Indigenous employability rather than concentrating on social outcomes, Aborigines and Torres Strait Islanders could become the mainstay of Australian mining employment.

The pastoral industry is moving north to well-watered lands, and tropical agriculture is growing. These are not low-skill, labour-intensive industries, but there are many productive, well-paid jobs in rural Australia, and labour shortages in many areas. Pastoral companies have attempted to establish schools where Aboriginal children could combine academic and technical learning with station experience, but were accused of ‘stealing’ the children they sought to train. Mainstream tourism offers rising employment and career opportunities.<sup>11</sup> Private sector employment opportunities are thus considerable and growing and this means that infrastructure and services—both public and private—are also expanding. Yet employment in administration and services in remote and fringe communities is largely confined to CDEP—‘sit down money’ posts. If the governance and hence the supply of services of Indigenous remote communities and fringe settlements were rationalised to mainstream Australian standards, they would require fewer but higher quality administrators, teachers, medical staff, tradesmen, clerical and retail staff who could be Aborigines and Torres Strait Islanders earning mainstream wages and salaries.

While the number of young Indigenous men exceeds the number of places available in short-term Norforce training, the numbers entering the armed forces is negligible. The modern army needs maths and science.

The growth of entrepreneurial activities depends on experience, particularly in the private sector. Learning by doing is closely linked to the ability to accumulate private property and to save. At present most Indigenous entrepreneurial activities in remote Australia derive from exploitative, high priced, monopoly services associated with communal land ownership such as transport, travel, retail stores and infrastructure that exploit remote communities. Many are Indigenous in name only, with non-Indigenous professionals (managers, accountants, pilots) and even semi-skilled non-Indigenous employees key to operations. This is true even in such simple businesses as shops, petrol pump and road houses which are still dominated by non-Indigenous entrepreneurs. The dearth of Aboriginal enterprises is not the result of ethnic characteristics, but of the absence of productive employment experience. A great deal of native title land is in areas of little or no economic value so that most remote communities are not economic. Private investment in land and housing is the most common start for small enterprises that can grow into medium- and large-scale enterprises. Australia has a competitive financial system that supports new entrants into business throughout the country, but very few Indigenous business start-ups are at present seeking and using its resources.<sup>12</sup> Indigenous entrepreneurship will undoubtedly flourish once private property rights and mainstream economic experience become the norm.

### **3. A reform agenda**

Deprived, Apartheid-like conditions have been created by a package of separatist policies that reinforce each other. Changing one or two of these policies at the margin will not be effective. The whole package has to go.

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Remote communities

The underlying socialist principles of the remote community movement prevented the evolution of private property rights with their savings and investment, notably in human capital. The lack of economic opportunities and uneconomic size necessitated individual and social welfare payments that led to welfare-dependence. Appalling education resulting in illiteracy, inability to communicate in English, non-numeracy, incredibly crowded public housing and abysmal health services exacerbate welfare dependence. The lack of privacy and security has made the 'digitalisation' (payment into bank accounts) of welfare payments subject to theft. Sorcery and pay-back distort cultural traditions to create fear and exaggerate domestic and social violence. Family and social dysfunction leads to unprecedented levels of anomie and personal misery. Alcoholism, cannabis and kava consumption, and petrol sniffing follow. Other Australian welfare groups exhibit family and social dysfunction (as do welfare-dependent societies worldwide), but the deprivation of remote communities is much more pronounced because policies of separateness isolate Aborigines and Torres Strait Island settlements from mainstream Australia.

Aborigines and Torres Strait Islanders in remote communities are constantly on the move. Young people particularly crowd already crowded housing in fringe settlements for respite. Many get into trouble and come before the courts and crowd gaols. Fringe settlements are also welfare dependent with similar family and social consequences. HIV/AIDS is spreading.

The communitarian ideologies that have been forced on remote communities will have to be abandoned to create a balance of private and public jobs. Realising economic opportunities will depend on policy changes. Many remote communities will also need service and private sector organisations to help them to access new education and health services, find productive employment, save and invest. Service organisations would be particularly helpful in ensuring all school children have computers, in moves to private housing, in the development of fruit and vegetable gardens and improving the quality of public facilities such as sports grounds and the use of schools and other buildings for adult education and social activities.

Native title legislation and private property rights

The institution of private property rights has been central to the development of productive economies and rising standards of living throughout the world. The process took millennia in Europe, the Middle East and Asia, where populations and per capita income growth barely increased while communal organisation was dominant, only growing by fractions of one percentage point per year for centuries as private property rights. Since World War II, however, there has been a remarkably rapid adoption of modern institutions centred on property rights, enforceable contracts and the rule of law so that technological and institutional advances have enabled societies to catch up to high living standards. Some of the poor countries of the 1950s have even surpassed the most advanced industrial countries to enjoy high 21st century living standards. The communist countries of Eastern Europe and China were left behind and are now struggling to emerge from their communist past. So are remote Indigenous communities.

After years of shocking living standards on North American Indian communal reservations, some communities have gained large income by exercising monopoly communal rights over casinos. These have become, however, seriously dysfunctional communities dominated by racketeers and other criminals. Real success is dependent on significant participation by individuals in the mainstream economy.<sup>13</sup>

Yet, despite the overwhelmingly negative experience of communal ownership, in contrast to the positive results of land reforms and other measures to establish individual property rights, communist social organisation for Aborigines and Torres Strait islanders is still being advocated by academics and non-government organisations in Australia.<sup>14</sup> In the Soviet Union state farms claimed 70 years of 'bad weather' to explain poor harvest after poor harvest. In China communes caused a disastrous loss of life and abysmal living standards for those who survived. Non-Indigenous Australians would not tolerate the communitarian policies that are being urged on Aborigines and Torres Strait Islanders.

Native title legislation, by establishing communal rights over land, has denied Aborigines and Torres Strait Islanders economic advancement. Most native title land lies idle because communal ownership impedes pastoral, agricultural and mainstream tourist development. Here and there new starts are made and are successful for a time, but the last 30 years lack sustained business successes. Attempts to run pastoral properties have not failed because of their owners' ethnicity, but because communal ownership, even if distanced from every day management through management boards, cannot play an entrepreneurial role and focus on profits as owners and shareholders do. Outstanding opportunities have been ignored. Thus there has been no attempt to harvest feral goats that infest Aboriginal land to meet booming goat meat demand in the United States. Agricultural enterprises have not been able to develop on richly watered, fertile communal land in Northern Australia. A communal 20-acre banana farm in East Kimberley has seven non-Indigenous employees and 10 CDEP participants. Such a property would employ one farmer with one or two seasonal workers in the private sector.

Native title leasing provisions are constrained and largely limited to the short term. Twenty-one year leases have little commercial value. They have not attracted investment or encouraged Indigenous or other enterprises in 30 years.<sup>15</sup> The torturous negotiation necessary for mines to come into production on native title land has limited investment, driving corporations off shore. High mineral prices have overcome the costs of leasing native title land, but without reform, when prices fall, investment is again likely to decline.

Communal native title proponents do not consider how employment and enterprise would enable Aborigines and Torres Strait Islanders to live productive and independent lives. They focus on the 'rent' gains from royalties accruing to land and sea. Some fortunate remote communities located near mineral or tourist resources have been the recipients of large incomes. Rents have also been earned from film and other rights, fishing and hunting fees and payments that non-Indigenous Australians have to make for the permits necessary to visit native title lands. But in the absence of mainstream employment so that individuals and families can manage their incomes, save and invest, the bulk of the very considerable royalty income stream has been wasted and stolen. In the vicinity of Uluru, for example, considerable land rents from visitors that have been distributed to members of communities have found their way to petrol sniffing, alcoholism and cannabis dependence. In the absence of well-established property rights, those who have paid for motor vehicles have not been able to restrict their use, so that more than a thousand car wrecks now abound.<sup>16</sup>

Allegations have been made of large volumes of royalties being swallowed up by 'big men' sitting on Land Councils, Aboriginal associations and corporations often with very little being distributed to community members. Reports of some \$5 million a year being misappropriated from royalties paid by the Alcan bauxite mine in East Arnhem Land are being investigated.<sup>17</sup>

Waste and losses are so well established and known that measures are being devised in some communities to control distribution and spending and ensure that some portion of royalties is saved for the time when mineral deposits are exhausted. It remains to be seen if such arrangements will work where communities are not anchored by mainstream education and employment.

Denying Aborigines and Torres Strait Islanders the right to own land individually for agricultural, pastoral, urban development and other commercial and housing uses makes a sham of native rights legislation. No other Australians are so disadvantaged. Most have derived substantial income or additions to assets during the past 30 years merely by owning their homes; communal land ownership has denied Aborigines and Torres Strait Islanders these sources of wealth.

Private property rights do not mean that market economies do not set aside and value land and other resources for communal use. Australian foreshores and river banks are reserved for communal use and so are large tracts of land in national parks. Clearly defined leasehold systems work for the pastoral industry and for mining. Ninety-nine year, tradeable leases for housing have been used successfully in the Australian Capital Territory

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to regulate urban development. Native title land needs the application of the same land use arrangements as the rest of Australia. A multiuse land reform could zone large tracts of land under native title as national parks, standardised long-term leases could reduce the time taken to negotiate pastoral, mining and other commercial arrangements, 99-year tradable urban housing blocks could be surveyed as part of urban development with land set aside for communal purposes, and some land could be zoned for freehold sale. Palm Island, for example, is well-suited for tourist development. If it had been surveyed for individual ownership 30 years ago, its inhabitants could now be wealthy. Instead, its children roam the streets at night because it is unsafe for them to go home.<sup>18</sup>

Given the past 30 lost years, beneficiaries of land sales or lease income would probably require mentoring. Regulation could be useful to ensure that windfall profits did not become new sources of economic and social dysfunction in the transition period. But essentially Aborigines and Torres Strait Islanders should have the same land rights as other Australians to be able make their own choices about their lives. Any other arrangements amount to a violation of equality before the law.

Education

Separate and unequal education is another core cause of remote and fringe settlement deprivation. It divides Aborigines and Torres Strait Islanders in remote and fringe settlements from mainstream Australia because they are not literate in vernacular languages, are neither literate nor articulate in English, and are not sufficiently numerate to manage their incomes.

Most Australian children start a process of socialisation and learning in pre-school, have six years of primary school and six years of secondary school before proceeding to post-secondary or tertiary education to equip them for productive jobs and lifetime earnings. In addition to English and other languages they also learn a range of humanities, social and natural sciences. Equally importantly, schooling accustoms them to the discipline of regular attendance, competing and collaborating with fellow pupils, learning how to accept correction and to exercise leadership. Regular sport and exposure to a range of cultural and civic activities reinforce classroom work. Some children start working with computers in pre-school; by primary school their use is general. Families importantly reinforce and complement schooling.

By being confined to vernacular languages in early years, Aboriginal children are denied the opportunity to learn English when they are most receptive to new languages. There are many bi-lingual speakers in contemporary Australian society. Every non-English speaking migrant child on arrival in Australia is immediately placed in English-as-a-Second-Language classes. Only Aborigines and Torres Strait Islanders in remote settlements are denied access to English.

The weakness of post-modern learning theories (lacking phonetics, grammar and arithmetic and centred on 'outcomes' rather than curriculum content), has been superimposed on teaching in the vernacular. Abysmal vernacular teaching materials and the lack of modern teaching aids, starting with alphabet and numbers blocks with which pre-school children normally play to learn to read and write, handicap Indigenous children. Poor teaching is another cause of abysmal education outcomes.

Mainstream homes provide a complementary environment to schools with the discipline of domestic chores but also magazines, books, television and radio and further exposure to sport and cultural activities. Many children travel within and outside Australia during their school years. Aboriginal and Torres Strait Islander families that have become integrated into the mainstream send their children to integrated schools and provide the home support that other Australian children receive. Their children also travel, get jobs, incomes and decent living standards.

Although education departments and teachers' unions have fought systematic performance reporting, the evidence that remote settlements' education is in crisis is overwhelming. Most children attend school irregularly and drop out early. Schools are often closed. Few schools operate before- and after-school homework clubs and similar programmes although most remote children do not have space or furniture to do

homework at home. Children who top classes in the separatist schools are so inadequately prepared that they have to take painful remedial classes to be able to keep up if they move to a mainstream school. For many the transition is too hard and they drop out.

With boring schooling, no working role models, no real income earners in the family, high incidence of substance abuse, endemic illness and violence, it is no wonder that petrol sniffing is a curse in many settlements. The mother who confronted a magistrate with her petrol-sniffing child was making a statement and an appeal in the only way open to her.<sup>19</sup> Magistrates have been ringing their hands over petrol sniffing for more than a decade without investigating why children do not attend school. Avgas, which could stop this most extreme form of self-destruction, is not universally used.

In spite of the evidence of its failing education, the Northern Territory Department of Education has recently re-affirmed its commitment to 'bilingual' education without any change in its 'outcomes' curriculum or in the post-modern teaching methods that guarantee that children will continue to lag behind mainstream performance. It is proposing to hide the inability of children from remote communities to keep up with years 11 and 12 in mainstream schools by creating dumbed down years 11 and 12 in its separate schools for Aborigines and Torres Strait Islanders.<sup>20</sup>

Post-secondary training courses in remote Australia have already been dumbed down to hide the failure of the Apartheid education system. Indigenous youth often cannot manage real trade and other post-secondary courses. They are deceived with meaningless certificates. They are devastated when they can't get jobs. Darwin University, with a high concentration of Indigenous students, has been ranked bottom in teaching among all Australian universities.<sup>21</sup>

State and territory education departments, the academics who support their theories and the teachers who implement them, have failed the Aboriginal and Torres Strait Islander children of remote Australia. Parents are now becoming concerned that their children are not being educated. It is feared that if literacy does not improve, the vernacular languages will erode so that Aboriginal and Torres Strait Islander children will be consigned to not even knowing a functional vernacular. In India the Untouchable castes are demanding that state schools teach in English from the first grade of primary school to give their children access to jobs. Parents in remote Australia cannot wait until state and territory education departments are reformed. They will have to organise independent, community-based, primary 'charter' schools.<sup>22</sup> These should be able to use and improve existing school buildings and receive public funds, but should be able to hire their own teachers and use curriculums from mainstream schools that have not succumbed to post-modernism. 'Twinning' remote schools with successful mainstream schools would enable rapid improvements and access to teaching materials and could be supported by student and staff exchanges.

A unified secondary school system is essential for economies of scale that will give all students the range of education, including technical and academic, that they deserve. This would mean investing in boarding hostels around mainstream secondary schools to give Indigenous youngsters mainstream secondary education. The best students should have the opportunity to go to the best boarding schools in Australia. Standards could then be raised in post-secondary training and tertiary education.

Adult literacy cannot be ignored. Illiteracy and non-numeracy has to be overcome in any transition to functioning communities. Primary schools should be working in the evenings as adult teaching centres as well as providing other adult education. Service and other private organisations should explore opportunities of adult literacy corps of students in vacation periods.

Computers and the internet are essential for catching up in education. Internet cafés in schools could immediately offset the disadvantages of limited teaching abilities and poor housing and also serve adults. But with current low (and still falling) prices of computers, every remote settlement child should soon have his or her own computer and internet access to make up for remoteness.<sup>23</sup>

**Indigenous youth often cannot manage real trade and other post-secondary courses. They are deceived with meaningless certificates. They are devastated when they can't get jobs.**

**The introduction of 99-year tradable, house leases would facilitate a transition to improved housing.**

Housing and family life

Overcrowding together with the poor quality of a great deal of the public housing in remote communities is a major factor in dysfunctional family life and ill health. Where a family group is crowded into a room covered with foam rubber mattresses without individual kitchen, bathroom, living room and bedroom facilities, the sort of family life that most Australians enjoy is impossible. The responsibilities of family life are normally exercised during the preparation of meals, at the table, in the supervision of children's homework and in the enjoyment of leisure activities. Decent housing is essential to decent family life.

Public housing has failed to provide decent shelter and yet for remote and fringe settlement Aborigines and Torres Strait Islanders there is no alternative because there is no private land ownership for housing and no earnings for the savings and investment in housing that are central to family formation in the rest of Australia. Migrants have typically worked hard, saved and invested in houses as their principal asset. Superannuation, tied to employment, has now become a second major source of savings. This, too, Aborigines and Torres Strait Islanders have been denied.

Aborigines pay rent for their housing from welfare payments, so that a source of payment for mortgages exists. If royalties and other incomes were distributed to individuals with the prospect of saving and investing in a decent dwelling, the financing of mortgages could be managed. But urban land would have to be made available for individual ownership to enable every family to own a house. The introduction of 99-year tradable, house leases would facilitate a transition to improved housing. Service and private sector organisations could help families to build simple houses (to be improved over time), to alleviate present overcrowding and unhygienic conditions. The stresses that currently lead to domestic and other violence would be reduced, some families would grow fruit and vegetables where water is available, children would be able to study and family members could have a degree of privacy and security.

Health

Health in remote and fringe communities is shocking.<sup>24</sup> Every survey undertaken has shown evidence of the prevalence of ill health. The Australian Medical Association has been pointing to the dire state of health in remote communities for years. The health effects of substance abuse are well known. The Commonwealth Government makes a substantial financial contribution to states and territories which are responsible for health delivery, but year after year there is little, if any, progress because of the bureaucratic health structures that have been created specifically for remote and fringe communities. Many Aborigines and Torres Strait Islanders do not hold their own Medicare cards and so cannot access health services of their choice. Dialysis units are a major concern, while the identification of diabetes and the use of glucometers to encourage good diet and lifestyles that would prevent kidney diseases are ignored. The real depth of ill health is not recorded. It is hidden in remote and fringe communities when expectation of life figures are averaged for all Aborigines and Torres Straits Islanders, including those integrated in mainstream society.<sup>25</sup>

Poor Aboriginal and Torres Straits Islander health outcomes are embedded in the lack of productive employment, lack of education, lack of decent housing and the individual and community welfare dependence of remote and fringe communities. The absence of positive public health environments and dysfunctional lifestyles create and complicate a high incidence of clinical conditions that can often only be remedied by a combination of clinical attention and lifestyle changes. This is not only an Indigenous Australian problem, but in remote and fringe communities, public health, lifestyles and clinical services are far below the levels that mainstream Australians expect as their right. Indigenous health cannot be improved without tackling public health and lifestyle issues and without eliminating the separateness that gives Aborigines and Torres Straits Islanders inferior clinical care.

### Welfare

Direct individual welfare payments, including the CDEP, are the overwhelming source of income in remote communities, fringe settlements and ghettos. The lack of numeracy makes the management of individual welfare incomes difficult. Incomes are low, prices are high, substance abuse is costly and families are constantly running short of money. 'Booking up' food is therefore prevalent despite the knowledge that such credit is murky as well as costly. The absence of established private property rights makes it difficult for prudent families to manage their income.

The debilitating effects of welfare dependence are so well established that they need no elaboration,<sup>26</sup> but moving welfare recipients to jobs in remote and fringe settlements is extraordinarily difficult. Thirty years of joblessness have resulted in a significant proportion of welfare recipients too debilitated by ill health, including substance abuse, to be able to work. In remote communities there are no jobs to which welfare recipients can be directed. Even in communities close to mainstream labour markets, employability is a critical issue. Rigorous monitoring of labour markets is needed to ensure that they are effective. If welfare recipients do move to jobs and earn decent incomes, families and clans often expect to share their income.

The Commonwealth Government's Shared Responsibility Agreement initiative that seeks communal 'mutual obligation' responses to welfare dependence is a useful transitional policy to improve conditions in the remote settlements. By its communal nature, however, it ties 'mutual obligation' responses to existing governance elites that are often relatively well off, tend to monopolise the income flows and services available and may thus have no interest in improving conditions for other members of the community. Individual welfare cannot be reduced until Aborigines and Torres Strait Islanders can access jobs. Reducing welfare is crucial to Aboriginal and Torres Strait Islander well-being, but it can only follow the reform of the separatist policies that undermine employability.

### Governance structures

Aborigines and Torres Strait Islanders are burdened by overlapping governance structures which create costly 'dead-weight' rents<sup>27</sup> that absorb a high share of the indirect, social tax transfers made by Australian governments.<sup>28</sup> The bureaucratic structures vary by state and territory, but the Indigenous Coordination Centres (ICC's), replacing Aboriginal and Torres Strait Islander Commission (ATSIC) offices, are responsible for the administration of Commonwealth funding, Land Councils administer native title lands, Aboriginal and Torres Strait Islander associations govern remote and some fringe settlements and there are also health and housing organisations as well as local and provincial governments.

Aboriginal corporations operate under a separate Commonwealth Act. They do not report to Australian Securities and Investment Commission (ASIC) like other Australian companies, but to the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA). Many of the corporations incorporated under DIMIA legislation are 'shells' created to access government or NGO funds to support board members and staff. They often have a short life.

DIMIA is the principal Commonwealth Department responsible for administering Commonwealth funding, but other departments are concerned in welfare and unemployment benefits, employment, health and education funding, State and Territory Departments administer associations replacing Aboriginal and Torres Strait Islander Commission (ATSIC) offices, local government, police and the law, health and education. The overlaps are horrendous. A great deal of effort has to be spent on sorting out jurisdictions. The target Aboriginal and Torres Strait Islanders often do not know who is in charge. Thousands of public servants earn a living by administering Indigenous legislation and regulations. Their salaries appropriate a considerable proportion of total funding.

Those who dominate the many Aboriginal and Torres Strait Islander governance bodies with multiple positions are well rewarded by salaries, sitting fees and travel expenses. They are hampered by poor English, literacy and numeracy so that they employ large numbers of non-Indigenous administrators and service suppliers. Yet most of these governance

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bodies' efforts are spent on talking, training and empowering rather than delivering services. They are also a source of business for many legal, accounting, and many other consultants who meet their reporting requirements, engage in endless planning exercises and settle the many disputes that arise among this medley of organisations.

In 2001 the Northern Territory had an Indigenous population of 51,000. It currently has 29 ICC offices, four land councils, 94 housing organisations of which 50 also operate as local government bodies, 30 Community Government Councils, six municipal Councils, and 38 Incorporated Associations.

DIMIA lists 2,168 Indigenous corporations. In 2002, 986 or 45% submitted their annual reports.<sup>29</sup> In marked contrast, 92% of corporations reporting to the ASIC reported in 2004.<sup>30</sup>

Because of overlapping and excessive governance a great deal of effort is devoted to allocation politics, leading to conflicts over CDEP places, Commonwealth and state/territory funding, royalties and other income. This contributes to conflict and violence.

The simplification of present Indigenous governance structures to those of mainstream Australia would save millions of dollars that could be spent on improving services and reduce disputes and violence. The opposition to reform is considerable because the incomes and power of Indigenous elites would be reduced and many non-Indigenous jobs and consulting contracts would disappear. Transition measures should include strict insistence that public reporting requirements are met on time and posted on the internet to ensure transparency as well as timeliness. Non-compliance should lead to immediate suspension and dissolution.

*The Rule of Law*

All Australian citizens should be equal before the law. This is not the case in remote communities and fringe settlements where policing is usually weak and the law often does not apply. Indigenous girls and women do not have equal rights. Domestic violence and child abuse are not policed in Indigenous communities as they are in the rest of Australia. When courageous victims of crimes bring perpetrators to court, misogynist magistrates and judges are often so biased against the victims that the perpetrators are not punished.<sup>31</sup> These remnants of another age must be swept from the judicial system. Existing polygamous marriages should be 'grandfathered' as a transitional measure, but it should be made clear that new cases of polygamy are illegal. The age at marriage of young women needs to be raised to that in the rest of Australia in fact as it is in law, to enable girls to finish their schooling and obtain productive jobs before they marry and have children. Violence against children and women must become a criminal matter. Disputes must be settled within the legal system rather than by sorcery and pay-back.

*Conclusion*

The absolute number of Aborigines and Torres Strait Islanders living deprived lives is small, but the transition to decent Australian living standards presents formidable problems because it requires the reform of 30 years of separatist policies that have created the present situation. These policies, moreover, have created a small but powerful Indigenous elite that benefits from the very policies that have caused and are causing deprivation for the majority of remote, fringe and ghetto dwellers. An army of politicians, state, territory and federal public servants, academics, cultural, legal, accounting and other consultants, administrators and service providers to the remote, fringe and ghetto communities has been given a vested interest in the *status quo*. The 30 (nameless) bureaucrats who formed the Steering Committee that guided *Overcoming Indigenous Disadvantage* thus undermined the professionalism of the Productivity Commission to blur data and prevent analysis that would lead to proposals to end the deprivation that *Overcoming Indigenous Disadvantage* could not help but in part describe.

Brave Indigenous leaders have started to open up a debate on how to reform the policies that are causing deprivation. Despite the barriers created by the need for permits, the media are at last reporting on conditions in remote communities and on the debate

on how to overcome them. The Commonwealth Government is taking steps to reduce the welfare dependence impact of transfers to remote communities. But the debate needs to move forward rapidly to cover the whole range of necessary policy reforms so that Aborigines and Torres Strait Islanders can access the same choices and living standards as other Australians. Service and private organisations have a role to play in the transition. Ending Indigenous deprivation must become a bi-partisan, Territory, State and Federal Government concern backed by every Australian voter.

## Endnotes

- <sup>1</sup> H. Hughes and J. Warin, 'A New Deal for Aborigines and Torres Strait Islanders in Remote Communities', *Issue Analysis* No. 54 (Sydney: Centre for Independent Studies, 2005).
- <sup>2</sup> Commonwealth of Australia, Steering Committee for the Review of Government Service Provision, Productivity Commission, Canberra, *Overcoming Indigenous Disadvantage: Key Indicators* 2005 (Melbourne, 2005). Despite its title, this glossy publication does not propose how Indigenous Australians can achieve fulfilled lives.
- <sup>3</sup> The term 'living museums' was coined in a seminal article by P.Howson, 'Pointing the Bone', *Quadrant* (June 2004)
- <sup>4</sup> J. Altman, 'Economic Development and Participation for Remote Indigenous Communities: Best practices, evident barriers, and innovative solutions in the hybrid economy', Presentation to Ministerial Council for Aboriginal and Torres Strait Islander Affairs (MCATSLIA), Sydney, 28 November 2003, (Centre for Aboriginal Economic Policy Research, Australian National University Canberra).
- <sup>5</sup> B. H Hunter and M. H. Dungey, 'Creating a Sense of "Closure": Providing confidence intervals on some recent estimates of Indigenous populations', Discussion Paper No. 244 (Canberra: Centre for Aboriginal Economic Policy Research, Australian National University, 2003)
- <sup>6</sup> R. G. Gregory, 'Between a Rock and a Hard Place: Economic policy and the employment outlook for Indigenous Australians', Academy of Social Sciences Workshop, 2-3 December 2004 (mimeo), 6 pointed out that 'An Indigenous economic elite has been created and Australia now has a number of Indigenous Australians in the top three deciles of the Australian male income distribution tables where virtually no Indigenous people could be found in 1966.' He failed to distinguish within this 'elite' between those who earn high incomes in mainstream occupations and those that are the beneficiaries of royalties and public service jobs at the expense of their fellow Aborigines.
- <sup>7</sup> The figure of 21% is probably too high for the Northern Territory. Hughes and Warin, 'A New Deal for Aborigines', estimated 15% workforce participation on the basis of J. Taylor, 'Indigenous Economic Futures in the Northern Territory: The demographic and socioeconomic background', Discussion Paper No. 246 (Canberra: Centre for Aboriginal Economic Policy Research, Australian National University, 2003).
- <sup>8</sup> 'Indigenous pickers grab job chance', *The Australian* (23 March 2005).
- <sup>9</sup> Bringing unskilled short-term immigrants for jobs such as fruit picking has other costs as European countries and the United States have found. The main 'advantage' is that it takes the pressure off their home countries to improve economic policies to provide employment at home, but it tends to denude small countries of their most enterprising workers. Hugh White, 'Strengthening our Neighbour: Australia and the Future of Papua New Guinea', *Strategy* Chapter 4: 'Finding Ways to Help' (Australian Strategic Policy Institute, December 2004), 46.
- <sup>10</sup> Argyle Diamonds, *Breaking New Ground: The Argyle Participation Agreement*, Perth 2005.
- <sup>11</sup> This is in marked contrast to micro tourism that seeks to exploit the 'living museums' while not disturbing their 'hunter gatherer' culture, that is, Aborigines and Torres Strait Islanders need not know English or be literate and numerate. Such tourism does not provide mainstream incomes. It requires continuing welfare payment support.
- <sup>12</sup> The calls for 'microfinance' for Aborigines and Torres Strait Islanders are yet another attempt to introduce inferior, separate services for Indigenous Australians and deny them access to mainstream services. 'Microfinance' is attractive to socialists because it is dependent on the organisation of communal groups of savers and borrowers. Loans to group members are not disbursed as a result of judgments about entrepreneurial qualities and business plans, but by lottery. Future borrowers have to wait till loans are repaid. The system is thus the very antithesis of enterprise. Typically there are no interest rate concessions but microfinance has to be heavily subsidized because it requires large bureaucracies to administer it. Corruption and failure rates are endemic. By and large only women repay their loans. The only successful micro-finance programme of the Bangladesh Grameen Bank (which pioneered microfinance) responded to

the special case of women buying mobile telephones and selling calls to men who emigrated to the Middle East and wanted to keep in touch with their families.

- <sup>13</sup> J. McDonnell, 'Land Title and Land Rights', *Quadrant* (September 2005), 6, argues that communal ownership is no obstacle to prosperity but concedes that 'these tribes also have the advantage of high levels of education, good health and close proximity to major economic centres. As well as being independently wealthy, they are engaged in the mainstream economy, as blue-collar workers, professionals and entrepreneurs, a marked contrast with Aborigines in remote Australia'.
- <sup>14</sup> J. Altman, C. Linkhorn and J. Clarke, *Land Rights and Development Reform in Australia*, (Melbourne: Oxfam Australia, 2005)
- <sup>15</sup> John McDonnell, 'Land Rights and Aboriginal Development', argues that present native title legislation presents no obstacles to development. The Central Land Council claimed in a press release on 25 May 2005 (Jane.Hodson@clc.org.au) that because leases up to 21 years could be granted without Ministerial consent for an individual Aborigine to establish a business, native title legislation was not an obstacle to private enterprise. Leases of more than 10 years duration for housing required the Minister's consent but 'it is difficult to imagine that the Minister would decline to consent for a long lease in those circumstances.' Although the Central Land Council is celebrating its 30th anniversary, the Aboriginal communities are hardly an advertisement for economic development. P. Howson, 'Land rights: the next battleground', *Quadrant* (June 2005) arguing for native title reform seems closer to the interest of Central Land Council dwellers than their representatives.
- <sup>16</sup> 'Mutitjulu misses out on Uluru funds', ABC Online (September 2005)
- <sup>17</sup> J. Sexton and A. Wilson, 'Yunupingu's millions fund just four houses', *The Australian* (12 June 2005)
- <sup>18</sup> R. Mancuso, 'Island kids being abused', [www.news.com.au](http://www.news.com.au), (25 August 2005)
- <sup>19</sup> A. Wilson, 'Petrol sniffing looks coroner in the eye', *The Australian* (11 August 2005)
- <sup>20</sup> 'Bold vision overdue', Editorial, *Northern Territory News* (26 August 2005)
- <sup>21</sup> D. Illing, 'Shock ranking for unis', *The Australian* (12 August 2005)
- <sup>22</sup> J. Novak, 'Reforming indigenous school education: The charter school alternatives', *Online Opinion*, (14 December 2004), [www.onlineopinion.com.au](http://www.onlineopinion.com.au)
- <sup>23</sup> A. E. Daly, 'Bridging the Digital Divide: The role of community online access centres in Indigenous communities', Discussion Paper No. 273 (Canberra: Centre for Aboriginal Economic Policy Research, Australian National University, 2005), contrary to the experience of every computer user, argues for communal ownership and control of computers for remote communities rather than for individual ownership, illustrating how Apartheid policies are formulated. Thus, as computers and internet access come into every day use by most Australian men, women and children, Aborigines and Torres Strait Islanders are to be tied to communal computing and denied access to the knowledge society.
- <sup>24</sup> Discussed in Hughes and Warin, 'A New Deal for Aborigines', 11-13.
- <sup>25</sup> Commonwealth of Australia, Steering Committee for the Review of Government Service Provision, Productivity Commission, Canberra, *Overcoming Indigenous Disadvantage: Key Indicators 2005* (Melbourne: 2005), 3.1-3.5
- <sup>26</sup> P. Saunders, *Australia's Welfare Habit: And How to Kick It* (Sydney: Centre for Independent Studies, 2004).
- <sup>27</sup> In economic terms dead-weight rents are costs that have no economic benefit. They are often counterproductive because they encourage corruption among the recipients.
- <sup>28</sup> J. Cleary, 'Lessons From the Tiwi Islands: The need for radical improvement in remote Aboriginal communities', *Issue Analysis* (Sydney: Centre for Independent Studies, 2005).
- <sup>29</sup> Office of the Registrar of Aboriginal Corporations, *Annual Report 2001/02*, 37
- <sup>30</sup> Australian Securities Investment Commission, *Building Confidence in Financial Markets: Annual Report, 2003/04*, 6
- <sup>31</sup> A. Wilson, 'DPP to appeal sentence in elder's child sex case', *The Australian* (20-21 August 2005)

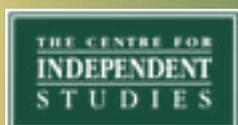


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