



Pearson calls for end to passive welfare

Australian Broadcasting Corporation
Broadcast: 14th November 2005

Reporter: **Peter McCutcheon**

KERRY O'BRIEN: One of Australia's great policy failures has been the lack of progress in improving the lot of Indigenous people. Despite a decade and a half of economic growth, the unemployment rate for Indigenous Australians is more than three times the national average and life expectancy some 17 years shorter. Cape York lawyer Noel Pearson has for some time been pushing for a radical shift in policy, calling for an end to what he says is the destructive influence of passive welfare. Last week, through his recently established Cape York Institute, he organised a tour of the remote north for high-ranking Treasury officials. In a moment I'll be speaking to Noel Pearson about a new study which concludes Cape York communities are presently not economically viable. But first, this report from Peter McCutcheon.

PETER McCUTCHEON: Deep in the rainforest of northern Australia, is not where you'd expect to find Australia's top Treasury officials and a leading labour market economist. But these men have left their desks in Canberra for their first-ever experience of Indigenous communities in the remote north. They're trying to come to terms with a tragic paradox. Why, despite the best of intentions, government policies have not led to any great improvement in Indigenous wellbeing?

PROFESSOR BOB GREGORY, ECONOMIST, AUSTRALIAN NATIONAL UNIVERSITY: There's been no progress and that's disappointing, because there's no progress despite the best of intentions.

DR KEN HENRY, SECRETARY TO THE TREASURER: The money has been flowing, and lots of it. But the outcomes remain stubbornly distressing.

PETER McCUTCHEON: The tour was organised by Noel Pearson's Cape York Institute for Policy & Leadership. The first stop for the Secretary to the Treasury Ken Henry, Treasury executive David Tune and Australian National University economist Bob Gregory was the small community of Mossman Gorge north of Cairns.

PROFESSOR BOB GREGORY: How many tourists did you say come here a year?

COMMUNITY MEMBER: Approximately 650,000 go to the existing national park.

PETER McCUTCHEON: Nearly the entire community here is on the Indigenous work-for-the-dole program, CDEP, despite being on the doorstep of a lucrative tourism market. But the people of Mossman Gorge are trying to tap into that market

with Indigenous rainforest tours.

KAREN GIBSON, BBN CORPORATION, MOSSMAN GORGE: And we want to create more employment through tourism, because I suppose that's the opportunity here now that we can grab, to get real jobs sort of thing.

PETER McCUTCHEON: Nearly 400 kilometres to the north, is the considerably more remote community of Cowan, where the party was shown a pilot literacy program. Despite some success in improving education, there have been precious few jobs here since the 1960s, when Aboriginal people worked as stockmen on cattle stations.

SUNLIGHT BASSANI, FORMER STOCKMAN: Having some job, full-time job up in this community, or out in the homeland, I think it would be great. When I was a young fella, I had a full-time job... you work from 6 o'clock in the morning till, oh, about 7 o'clock in the afternoon and knock off.

PETER McCUTCHEON: At Lockhart River on the remote east coast of the Cape, the local council spoke of plans for tourism development based on pristine beaches and a thriving art community. But by now a theme began to emerge about the dependence on the CDEP work-for-the-dole program.

PROFESSOR BOB GREGORY: I think CDEP was a good idea and there are successes with CDEP in the sense that it does give you part-time employment. It does give the community some money to spend on community projects, but it locks you in.

PETER McCUTCHEON: Despite being impressed by many of the initiatives, leading economist and former Reserve Bank board member, Bob Gregory says remote communities face enormous obstacles.

PROFESSOR BOB GREGORY: It's not really an income problem, it's that in remote communities you've got nothing to do, basically. And if you've got nothing to do, then eventually things sort of deteriorate in terms of health, in terms of work habits and so on. So I'm very strong on the view that jobs are really an important part of any solution.

PETER McCUTCHEON: So to what extent is welfare, particularly the CDEP work-for-the-dole program, removing an incentive to get a real job? That's the question posed by Treasury head Ken Henry at a seminar in Cairns immediately after his tour of Cape York communities.

KEN HENRY: I will take a very strong message back, very strong message back. It was one of the strongest, one of the loudest messages I heard in the last two days, that there are many problems with the way the CDEP is structured, and that it's time we took a good hard look at it.

PETER McCUTCHEON: Noel Pearson, who heads the Cape York Institute for Policy and Leadership, says remote communities at the moment are simply not economically viable. While he has previously argued for a radical program of welfare and land reform, Noel Pearson put forward another provocative idea. Part of the

answer according to a Cape York Institute analysis is making it easier for some people to leave their homelands.

NOEL PEARSON, CAPE YORK INSTITUTE: To meet a target of a high level of employment in economically viable scenarios, our modelling indicated that people had to pursue jobs, both inside and outside the community.

PETER McCUTCHEON: What all this means for Aboriginal culture in these remote settlements is something that will no doubt be debated in Indigenous communities. While Noel Pearson spoke of a challenging transition, Bob Gregory put it in blunter terms.

PROFESSOR BOB GREGORY: For increasing numbers of them, especially the young, they're going to have to choose what part of their cultures they want to hold onto and take with them to the cities and what part they're going to have to sort of gradually let go. And that sort of mentality has got to creep into, I think significant parts of the Aboriginal community otherwise they're just going to be in tough times for a long, long time.