COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS

Reference: Indigenous employment

MONDAY, 13 FEBRUARY 2006

CANBERRA

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

INTERNET

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **http://www.aph.gov.au/hansard**

To search the parliamentary database, go to:
http://parlinfoweb.aph.gov.au

HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS

Monday, 13 February 2006

Members: Mr Wakelin *(Chair)*, Dr Lawrence *(Deputy Chair)*, Ms Annette Ellis, Mr Garrett, Mr Robb, Mr Slipper, Mr Snowdon, Dr Southcott, Mr Tuckey and Mrs Vale

Members in attendance: Ms Annette Ellis, Mr Garrett, Dr Lawrence, Mrs Vale and Mr Wakelin

Terms of reference for the inquiry:

To inquire into and report on:

Positive factors and examples amongst Indigenous communities and individuals, which have improved employment outcomes in both the public and private sectors; and

1. recommend to the government ways this can inform future policy development; and
2. assess what significant factors have contributed to those positive outcomes identified, including what contribution practical reconciliation* has made.

*The Committee has defined 'practical reconciliation' in this context to include all government services.

WITNESSES

Committee met at 11.30 am

ALTMAN, Professor Jon Charles, Director, Centre for Aboriginal Economic Policy Research, Australian National University

HUNTER, Dr Boyd Hamilton, Fellow, Centre for Aboriginal Economic Policy Research, Australian National University

CHAIR (Mr Wakelin)—I declare open this public hearing of our ATSIA committee and its inquiry into Indigenous employment. I particularly welcome Professor Jon Altman and Dr Hunter. I remind you that these are recognised as proceedings of the parliament and that we need to have that in our minds. I invite you to give a brief opening statement, then we can have a discussion.

Prof. Altman—Thank you very much. I have prepared a brief opening statement. I will read it out; it is reasonably short.

CHAIR—Thank you.

Prof. Altman—I would like to thank the committee for the opportunity to provide some additional evidence as a witness following on from my written submission of May 2005. I would like to again emphasise that I am focusing today on the employment situation of Indigenous people in remote and very remote Australia, which is the principal regional focus of my own research. Other colleagues from CAEPR, like Dr Hunter, will address different issues that focus to a greater extent on the mainstream labour market. In my opening comments I would like to do two things: first, to say something about some shifts in Indigenous affairs public policy discourse since I made my submission; and, second, to highlight some new statistical and research findings.

On new policy discourse, there are two emerging views that have had some public airing. The first is that land rights and native title laws that have returned significant lands to Indigenous Australians are somewhat perversely encouraging Indigenous residents beyond the reach of mainstream labour markets. While proponents of this view do not go so far as to say that land rights and native title laws should be abolished or that Indigenous landowners should be forcibly dispossessed, they do suggest that people should somehow be required to engage in mainstream employment. An associated and more recent view expressed by the ex-Minister for Indigenous affairs in December 2005 is that the small communities variably called out-stations or homelands where Indigenous people reside on lands they own may not be viable and may not warrant even the minimal provision of services that they receive today. The logical corollary of both these views is that, as mainstream employment is not available on remote Aboriginal land, Aboriginal people should be required to migrate for employment.

Such views seek mainstream solutions to very unusual Indigenous circumstances. In my view, they are unsound on at least three counts: first, there is no evidence that Indigenous people migrating to situations where jobs are available will be able to successfully compete for jobs; second, it overlooks the work that is undertaken by landowners on their land—in the arts, in natural and cultural resource management, in coastal surveillance, in the customary sector that generate benefits to people's livelihoods and the nation; and, third, such views discard

Indigenous active choice. Many Indigenous people want to live on their customary lands and have done so since Australian laws returned the lands to their ownership.

Arguably, there is an inconsistency in Indigenous public policy, as one set of policies facilitates land rights claims and native title determinations while another set of policies undermines capacity to reside on and make a livelihood on this land. Ultimately, it is not in Australia's national interest to either have large tracts of the continent empty or to have people living on these lands without capacity to engage in livelihood activities.

On the statistical front, I would like to provide an exhibit for the committee, a forthcoming chapter that I have co-authored with colleagues Geoff Buchanan and Nicholas Biddle in a monograph that focuses on a detailed analysis of the 2002 National Aboriginal and Torres Strait Islander Social Survey, NATSISS. The editor of that volume is Boyd Hunter. This chapter, titled 'The real 'real' economy in remote Australia' focuses on that part of Australia where 27 per cent of the Indigenous population resides, frequently on Aboriginal owned land very remote from markets and mainstream employment and business opportunity. The NATSISS provides some statistics to quantify the customary Indigenous or non-market sector of the economy in a way that the five-yearly census does not.

The 2002 NATSISS provides strong statistical support for the proposition that the real economy in remote Australia is made up of three sectors: the market, the state, and the customary. For example, 87 per cent of Indigenous adults in community areas or discrete Indigenous communities are estimated to have fished or hunted in the group. The policy ramifications of these statistics are that the customary sector might provide economic opportunity and that major projects like the CDEP scheme and land and native title rights might be useful instruments to enhance customary activities with positive livelihood outcomes.

I draw the committee's attention to the recent ABS publication, *Labour force characteristics of Aboriginal and Torres Strait Islander Australians, experimental estimates from the labour force survey*, that was released on 25 January 2006. This publication provides information for the very first time on an annual basis on the Indigenous labour force situation between 2002 and 2004. While the ABS cautions that extreme care must be exercised with these data owing to high standard errors, they are instructive and of relevance. First, they suggest that Aboriginal employment, unemployment and labour force participation is at best relatively unchanged and at levels far worse than for the non-Indigenous population. For example, an Indigenous unemployment rate at 17 per cent in 2004 is more than three times the non-Indigenous rate at 5.6 per cent. Second, they indicate that of the total Indigenous employed—75,200—a significant proportion, nearly 50 per cent, are in the CDEP scheme. Third, the statistics suggest that the unemployment rate is lowest in remote areas, although this statistic is subject to high sampling variability and is clearly greatly influenced by high CDEP scheme participation. Nevertheless, returning to the recent policy debates with which I began, there are clearly acute labour market problems in major cities and regional areas, where unemployment rates are 18 per cent and 23 per cent respectively, which labour migration from remote areas is likely to exacerbate rather than ameliorate.

I end by returning to my 2005 submission to highlight how crucially important it is that our notions of employment in remote areas are as broad as possible, that the CDEP scheme maintains its flexibility to facilitate Indigenous livelihood options, including in the customary

sector, and that CDEP success is rewarded rather than penalised. I reiterate to the committee that Indigenous lived reality in remote Australia is non-mainstream and non-standard, but nevertheless generates local, regional and national benefits. The challenge for the committee is to recommend non-standard, non-mainstream and innovative employment and training options that reflect this lived reality and that improve people's livelihood opportunities.

CHAIR—Thanks very much, Professor Altman. Dr Hunter, would you like to make any comments, or shall we just go to questions?

Dr Hunter—I have a separate submission. I would prefer that the committee address the issues raised in Jon's submission before you go to me.

CHAIR—Okay. That is fine. Just a couple of things and then I will go to Dr Lawrence. In terms of the homelands, there are a couple of things happening in my own observation and I would appreciate your view on them—that is, there is a depopulation occurring, and there is a growing view, I think, that many of the younger people are looking externally. Then there is this issue about how many people are going to stay with it—of course, it is a chicken and egg kind of argument. But what I wanted to try and home in on—I would still appreciate your comment on the depopulation that I think is occurring and, many of us expect, will continue to occur in current circumstances—was this federal-state issue about the infrastructure. My understanding is that the homelands were intended to be mainly financed by the Australian government, whereas a lot of these issues—the power, the water, the general infrastructure, the home, that sort of thing—are state responsibilities. All the time I am seeing in bigger communities the state accepting a significant part of the responsibility—I could go to health as well, where the Commonwealth has picked up a lot of the traditional state responsibility. The first part of my question is: have you made any observations of depopulation? In terms of this federal-state divide, if you like, and how the states might be encouraged to be part of a partnership, what is your observation on that?

Prof. Altman—On the first issue of population, it is interesting that, in the previous House of Reps inquiry into out-stations that reported in 1987, chaired by Allen Blanchard, the same issue came up. There was quite a bit of information there that was provided by demographers that suggested that, while there is an appearance that younger people want to move from out-stations to larger population concentrations, there is a lot of evidence that there is actually circular migration and that, as people formed families and got a little bit older, they were quite happy to return to their country.

CHAIR—Yes, I have observed that myself.

Prof. Altman—It is interesting. Nevertheless, there is certainly a possibility that younger people would be looking for a greater diversity of lifestyles.

CHAIR—I guess it is trying to understand where those aspirations are a bit, too.

Prof. Altman—One of the things we do not say much about in relation to those movements, too—I guess, my personal observation is that, while infrastructure at out-stations is very underdeveloped, in relation to your second point, often when people move to larger townships the quality of housing that they have is actually worse. I actually have some statistics from

western Arnhem Land where I work, where at out-stations you have six or seven people per house. At the largest township there, Maningrida, you have somewhere around 16 or 17 people per house. Despite the fact that infrastructure at out-stations is very rudimentary, it is often better than at the townships.

On your second point, historically, out-stations were first observed as a social phenomenon in the Northern Territory. They were very strongly linked to land rights. Of course, the Northern Territory at the time was a Commonwealth jurisdiction—some would argue that it still is. The Aboriginal Land Rights Act was a Commonwealth statute. I think that in 1978, when there was a memorandum of understanding between the Northern Territory and Commonwealth governments, there was an understanding that out-stations would remain a Commonwealth responsibility. I think, as out-stations and homelands have spread to other state jurisdictions, they have tended to look to the Commonwealth for support. That is partly, I think, because the Commonwealth was more sympathetic to out-stations than state governments—certainly, I would say in Western Australia and in Queensland—but in your state, I suspect, there was more sympathy to out-stations on the Pitjantjatjara lands than in those other states.

As I read the newspaper on Saturday with some discussion of COAG looking to provide incentive for efficiency gains in provision of services like education in federal-state relations, it did occur to me that there might be an opportunity to look to reward those states which did more for their Indigenous citizens, including those living at out-stations. I think it would not be very difficult. It is, dare I say, a little bit like greenhouse gas emissions. We are actually coming from a very, very low base in terms of trying to meet some targets. It seems to me that it could be in the interest of states, under these bilateral arrangements that they are signing off with the Commonwealth, to say, 'We'll create employment opportunity. We'll provide infrastructure. We'll provide appropriate education at these remote communities,' and that if we can then show in terms of outcomes that people are better off or that we have got lower rates of arrest or we are saving the nation's resources, then the state should be given a reward for doing that. It seems to me that we have got to have some circuit-breaker in this buck-passing between the Commonwealth and the states. That might be one. I have not seen much in the bilateral agreements yet, beyond rhetoric, in terms of meeting targets in providing services to Indigenous clients.

CHAIR—Okay. Thank you very much.

Dr LAWRENCE—I will begin with an observation. I do not know how well aware you are of Fiona Stanley's work with the Institute for Child Health in Western Australia. Their very comprehensive work on the mental health of Indigenous children, comparing them with others, shows that children in remote and very remote communities are actually far better off than their brothers and sisters in denser regional populations and centres. It is an interesting confirmation of some of what you have been talking about. We probably should have a look at that at some stage too.

There are a few questions we could ask. Thank you for your comprehensive work and, I know, a huge amount of research that we should draw on in any case. You have talked about enhancing CDEP rather than the current discussion which is headed toward abolishing it, as far as one can tell. What would that look like and, from your experience, what are the elements of the programs that have been more conspicuously successful, if you like? What has gone wrong in those

programs where there have been failures to deliver on the expected outcomes? I would like to get a feeling for what works, what does not and what would an enhanced program look like. Sorry—that is 10 questions, really.

Prof. Altman—I will have a go at them. Firstly, on the question of people at out-stations being less at risk from mental health problems, certainly my personal observations would concur. It was one of the really surprising statements, I thought, that Senator Vanstone made in her speech 'Beyond conspicuous compassion', to suggest that children and women at out-stations were at greater risk. That was not a statement that was qualified and there was no evidence provided for that. It really surprised me because I would have thought that the very reason for many people migrating to small out-stations—

Dr LAWRENCE—Was to get away from those things.

Prof. Altman—that is right—was to get away from problems associated with alcohol—

Dr LAWRENCE—Violence.

Prof. Altman—and large groupings of people who did not usually live together. On CDEP, I am a firm believer in the enhancement of CDEP in situations where it is successful—I add that rider. It seems to me that, again, we hear much about issues to do with mutual obligation. Here is a scheme that is a mutual obligation scheme that Indigenous Australians have been involved with since 1977—so, nearly 30 years now. Clearly, CDEP is very hard to administer in situations where you have the CDEP scheme alongside the availability of pensions, Newstart allowance and other forms of support. You have a Centrelink office and a CDEP office.

I think, quite rightly, the government is looking to regard CDEP engagement in remote areas as like activity testing but the problem is, I do think, that DEWR has a mind-set that sees CDEP success as getting people into mainstream jobs. I think that getting people into mainstream jobs where they just are not available is impossible. I know that some CDEP organisations are up in arms about being forced to agree to mainstream employment targets that they know they cannot meet. I know that one organisation has gone to the Commonwealth Ombudsman about this because of its lack of equity.

What I have observed that has been successful has basically been the development of CDEP projects that accord with local and community aspirations and realistic possibilities for the sorts of activities that one might engage people in that generate additional income and generate additional hours worked. The sorts of activities that I have seen that have been very successful have been in community ranger programs, coastal surveillance, people employed in the commercial harvesting of wildlife like crocodile eggs, which they then hatch and sell, and also people being involved in running services and retail outlets, running construction of housing, mud-brick making, and so forth.

I was actually going to bring you the latest annual report, which I can provide to the committee, from the Bawinanga Aboriginal Corporation for 2004-05, which outlines the range of projects they do under CDEP. To make the scheme a lot more successful, clearly, these communities just need far more realistic resourcing, particularly for some of the projects that they are undertaking. Setting up a successful business in remote Australia is extraordinarily

difficult and expensive whether you are black or white. I think we tend sometimes to overlook the support and subsidy we give white business development; when it comes to CDEP business, it is sort of regarded as not being legitimate business. So I would just say that it is extraordinarily important that, where things are successful, capital and administrative support is provided and additional participant placements, so that you do not have this opportunity for people to move off CDEP to the local Centrelink office—to move on and off.

Having said that, I also think that a lot more could be done in terms of monitoring the outcomes from some of these programs. I think that some of the successful organisations would really welcome that. So you could see them being funded on an outcomes basis but also on a basis that, if you like, contrasts with the sorts of resources that are provided, for example, to manage a national park. What sort of resources are provided to Kakadu National Park as distinct from western Arnhem Land? What you find there is that you have a factor of many times. Twenty million dollars goes into Kakadu National Park. Admittedly, it has a lot of tourist visitation. Western Arnhem Land probably gets less than half a million dollars for managing an estate that is much larger, and yet it is contiguous and has the same biodiversity and conservation issues.

Dr LAWRENCE—Thank you very much. I have a couple of other things. You mentioned the problem of getting cooperation between the Commonwealth and the states, and the chair raised it as well. We have had a series of COAG trials which, I think, are now coming to some fairly spectacularly unsuccessful conclusions—maybe that is a strong statement, but I have not seen much evidence that they have really delivered the goods. I saw some recent figures that suggested that something like 80 per cent of the money that has gone into those trials has ended up in administrative areas of expenditure and has not actually been disbursed amongst Indigenous communities. Is that a problem that you see more generally that a lot of the funding that is supposed to be delivered, for instance, to improving employment outcomes or access to employment and so on is captured up the stream and does not end up being directly available to Indigenous communities? That is huge figure if it is right—80 per cent.

Prof. Altman—I think that figure was actually from your state as well.

Dr LAWRENCE—Yes.

Prof. Altman—I think the figure is probably right in terms of how much it has cost to set up the trial and what has actually got through to that particular trial site. I have to say that I am not aware of any independent or transparent evaluation of any of the trials to date. I know that there are some tenders at the moment that are being let for evaluating some of the sites but, of course, the one that we are most familiar with is the COAG trial at Wadeye, where we have done a lot of work, mainly through work that John Taylor has done. I think, John's work would indicate that at Wadeye there has been a better Commonwealth-state collaboration.

Dr LAWRENCE—That was the first trial, wasn't it?

Prof. Altman—It was the first one, yes. Also, from a local point of view, I suppose that the best thing that has happened is that there has been a greater recognition of their education and housing shortfalls and there has been enhanced resourcing of those sorts of service areas. Having said that, what John's work says, particularly projecting for the next 20 years, is that even with

these enhanced inputs, things are going to get worse at Wadeye, particularly in relation to housing. With education we have had a fair bit of media coverage that, when kids were encouraged to go to school through a 'no school, no pool' program the school was not actually able to accommodate them, and so they had to very rapidly bring in temporary school accommodation et cetera. I think that there are some real structural issues. Wadeye and, I am sure, the other COAG trial sites are just examples of the historic backlogs we have in a lot of these remote communities that have sort of been out of sight, out of mind for a long time now.

On what works best in terms of dollars actually getting through to the recipients, I think it varies a lot between programs. I think that in some of the infrastructure programs, for instance, like housing, roads and communications, many of the dollars provided there probably go to outside contractors and people who are not in the local community. But I think, to be fair, sometimes the communities just do not have the capacity—

Dr LAWRENCE—Well, I would not.

Prof. Altman—that is right—to deliver those sorts of service. Again, going back to CDEP, I think it has got the capacity to deliver the best bang for the buck because it does go to community based organisations.

Dr LAWRENCE—That is where the money is, basically.

Prof. Altman—That is it. There really are not too many intermediaries. Sometimes they have got training providers outside the community et cetera. Generally, most of the dollars from CDEP will go to a CDEP organisation. Despite all the problems we read about in the popular media about governance and how Indigenous organisations lack capacity, I think there are many CDEP organisations that do a terrific job in very difficult circumstances.

Dr LAWRENCE—Thanks, Jon. I should let other members ask questions.

Mr GARRETT—Thanks very much, Professor Altman. You are sitting with a committee that does see itself as modest reformers, I have to say. I think I speak for everybody here. I have a couple of questions. I think that my colleagues have addressed some of them, but just a very general one: how long have you or has CAEPR been actively researching on CDEP?

Prof. Altman—I have been actively researching on CDEP since 1977 when it started. CAEPR was established in 1990 and CDEP has been a core element of its research since then.

Mr GARRETT—Where are the data gaps in terms of putting additional information and arguments into the public debate about the merits of CDEP and how it might be further improved? Where are the key data gaps there?

Prof. Altman—The key data gap that we have had for a long time has been that the census has rarely grappled with whether to define CDEP as employment or unemployment. When CDEP was initially started it had a strong nexus with unemployment benefits, but that nexus has increasingly been broken. In some ways, it is not helpful to talk about CDEP as being unemployment benefit equivalents; it is far better to see it—from my point of view—as a subvention to regions that lack robust labour markets. Again, I am thinking now particularly of

remote and very remote areas. Clearly, in the urban areas it operates much more as a training program where you would expect eventual exits into the mainstream labour market.

So we have got enormous gaps in terms of official statistics on CDEP and the NATSISS—the National Aboriginal and Torres Strait Islander Social Survey—in 1994 and 2002 helped fill some of those gaps. But I think what we probably do need is a far more public profile of some of the successful case studies. I am very familiar with one. Since 1979, I have worked with an organisation in central Arnhem Land, the Bawinanga Aboriginal Corporation. It was formed in 1979 but only became a CDEP organisation in 1991. Since it has become a CDEP organisation, it has become a real driver of regional development. I think that it is one of those organisations that because it is in central Arnhem Land it is out of sight but, nevertheless, it undertakes much activity that has national benefit. It has tried to lift its profile. In particular, you have probably seen the media on the coastal surveillance work. Their community rangers, the Djelk sea rangers, keep finding Indonesian fishing boats that high-tech surveillance cannot locate.

Mr GARRETT—We referred to that, I think, last week when we were here.

Prof. Altman—Have you? Okay. They keep on asking for resources to actually underwrite this work. The way they do it at the moment is with—I am pretty sure I am right—a 1958 or 1959 Cessna aeroplane that the organisation owns. The Djelk rangers do the surveillance work during all times of the day and night, mainly the day, including weekends—I went on one of their flights on a weekend—on CDEP. They are saying that there are full-time jobs in coastal Arnhem Land in coastal surveillance. They are not even asking for the full-time jobs; they are asking for the gap between CDEP and full-time employment. It seems to me that politically and in a policy sense that sort of story should be able to be told and should be quite acceptable to the Australian population.

These people are doing a very useful job in the national interest, but they are doing it very cheaply and want to continue doing it very cheaply and have got no problems with demonstrating that they are doing the job. The technology that they have is quite high-tech. On the flight I went on with them they provided a GPS map of where we flew over a two-hour period showing the exact route, and they provide that information to the fisheries and Coastwatch authorities. They have the technology; what they need is more support.

Mr GARRETT—It sounds like it provides great value. I have a couple of other quick questions. I am interested in recommendation 25. I think that is a very worthy recommendation. My question is more whether you have identified statistical linkage between the provision of CDEP and the increase in artistic output and the value of artistic output, particularly amongst the remote communities but even across the research range.

Prof. Altman—There is absolutely no doubt that there is a direct correlation in two ways. Firstly, in terms of community based arts organisations where, again, like the Coastwatch, much of their labour force comes from CDEP workers. These are people who have to assist with the documentation, the packaging, the transporting, the fumigation and the selling of Aboriginal art. Without the CDEP scheme, those Aboriginal arts organisations that these days operate in a globally competitive environment would not have the skilled Indigenous workers that they do. But, more importantly, the flexibility of the CDEP scheme is of fundamental importance to artists.

Indigenous artists, like all artists, are not creative 52 weeks a year nine to five. There is quite a bit of flexibility in their capacity to work and to be creative. The very fact that CDEP does provide them with ongoing part-time income support allows them to invest their productive effort but only be rewarded when they complete a piece of work. CDEP is not income tested in the same way as the Newstart allowance, and so you do not run into income tapers and income tax issues straightaway with CDEP and that assists artists a lot.

We have had a figure of 5,000 to 6,000 Indigenous artists bandied about for some time. It is not a statistic that has been updated since about 1989. Nevertheless, I think you would find that the vast majority of those artists would be on CDEP. Older artists are on pensions but when they are on pensions it just operates in the same way. It provides them with, if you like, a minimum income to sustain themselves while they are involved in arts production.

Mr GARRETT—Thank you for that. Outside of CDEP focused policy, review and alternatives and the discussion that we are having, are there any other very clear policy gaps or areas that you think would be of benefit to Indigenous people, particularly in the context that we are discussing at the moment, which is in part those who at present rely on CDEP in the community?

Prof. Altman—I think in terms of CDEP an obvious one is education and training, which is not my area of strength. Jerry Schwab did not make a submission, but that is his area of strength. I would emphasise that, in relation to both out-stations and remote communities, as people are demonstrating an interest in getting involved in natural and cultural resource management or artistic endeavour, they are finding that the mainstream education system does not provide them with appropriate education and training. We need to start looking for education and training that matches people's career aspirations. Natural and cultural resource management has historically not been seen as a legitimate form of employment for Indigenous people. They recognise that for many of the problems they face today, be it feral animals, exotic weeds, cane toads, they need Western scientific techniques and training to deal with those issues. They often use the terminology that they need a two-way tool kit: Indigenous knowledge and Western knowledge and training. It is incumbent on us, again, if we want to see effective outcomes, to provide them with the sorts of education and training that they are asking for. I think that is very important.

Basic infrastructure at out-stations is also very important because you do have to provide people with a certain level of basic services if you are going to have them living on country where you want them. It does not have to get too sophisticated. What you again find is with CDEP and with effective out-station resource agencies that often get CDEP is that many of those services are self-provisioning, many of those services. What you want to see is some of the best practice examples spread more widely.

Dr Hunter—I agree with respect to the importance of CDEP for education. The recent changes to CDEP in terms of making youth wages lower—nominally on the grounds of helping people to find work in the real economy—are important changes but not for the stated reason. I believe in making the incentive structures compatible so Indigenous youth have got incentives to stay at school longer, so it is not the direct push effect. Jon does not necessarily agree with me on this one. He does, but—

CHAIR—It came up the other day when I was in Pitjantjatjara. It is a really interesting point. There is quite a good debate on that.

Mrs VALE—Is there recognition within those who administer the CDEP of these customary non-market activities and the value that they contribute to the, can I say, very primary economy that is in remote communities? This is something I understand that you have identified through your observations, but is there recognition of that within the administration?

Prof. Altman—If people from DEWR were here, they would probably say yes. What I would say is that they pay it lip-service. When one makes a presentation or provides documentation that the customary sector is making a real difference in terms of people's livelihoods and what they actually eat every day, they hear that, but it does not sit well with their programs and particularly the sorts of outcomes they are looking for. It is not reflected in a change in the employment statistics, for example. The thing that I think is also missing and the model that I am working hard to develop is to show the linkages between customary and market activities. For example, again, when Senator Vanstone made her speech at the ANU, she was concerned that people living at out-stations—I think her terminology was—were living in cultural museums. But not a few weeks earlier she had also made the point that the greatest contemporary Australian art form was Indigenous art and she could not see the connection between people living on their lands and engaging in customary activity and the market outcome that you get—again, not just for the artists in terms of cash income earned but also the spin-off benefits to Australia in attracting tourists, cultural industries and the way Australia is perceived internationally.

Mrs VALE—There are quite a lot of spin-offs.

Prof. Altman—It is very hard to measure, but I think that there are. Again, inbound tourists keep on saying in survey after survey that that is what they are coming to Australia for, in part. There is a challenge, real antipathy, if you like, to non-market activity in contemporary Australia.

Mrs VALE—Yet, on my understanding, what you are really talking about is the subsistence economy that existed before white men came and the value that that actually has. What you are telling me is, apart from the obvious ones like art, culture and tourism, there is also perhaps a valuable psychological and anthropological value. The more complex our societies become with the pressures that are upon them, to the point where sometimes I think some of us feel like we are imploding, the more these traditional societies may have something quite unique to offer.

Prof. Altman—Yes.

Mrs VALE—Because it was basic community, wasn't it? Economy seems to be too strong a word for what they do, but it is basic human community interchange.

Prof. Altman—In any situation where people are producing goods and services you have an economy. It is not a matter of scale.

Mrs VALE—I know.

Prof. Altman—These are small, kin based communities, though, and you are quite right. I am not going to be a romantic and say that they are places where there is not conflict. Sometimes

people have conflict. Nevertheless, they are people who are very in touch with the land that they live on and they are very in touch with the species that they harvest. They do that in a way that is sustainable. It is now recognised by Western scientists, who are trying to understand how to utilise the Australian environment in a sustainable way, that they do it in that way. Yet, at the same time, they harvest species that were not here pre-contact, such as feral buffalo and feral pig. In that sense, they are harvesting those species—they eat them—but at the same time they reduce the environmental damage that these species cause, particularly to wetlands. You are getting, if you like, a symbiotic relationship between people continuing to harvest species and biodiversity conservation in some of these areas that are the most intact ecosystems in Australia.

Mrs VALE—Even symbiotic relationships, with the good that they produce, are very hard to quantify.

Prof. Altman—It is hard to quantify. I think you can do it, though—and I guess I was alluding to that earlier—by looking at the sorts of investments we make in biodiversity conservation and fire management et cetera in places like Kakadu National Park. Through our reserve system we make enormous investments as a nation, but we do not then seem to want to make similar sorts of investments on the Indigenous estate. Yet the biodiversity issues are identical in national parks to those in an Indigenous estate. In some ways they are interdependent.

Mrs VALE—Maybe there is an opportunity for the Indigenous estate, as you put it, to offer the experience that they have through home stay, if you understand what I am saying.

Prof. Altman—Yes.

Mrs VALE—If that is a possibility, there is another link that you can point to.

Prof. Altman—And vice versa. They are willing to go off the Indigenous estate to assist in places like Kakadu National Park or Uluru National Park with natural and cultural resource management.

Mrs VALE—As long as they can see a pathway of return when they choose. You also say that the CDEP service is underfunded?

Prof. Altman—Yes.

Mrs VALE—Of course you would like to see more funding put into it, but how do you see that the government can be more proactive? Is it about changing the mind-set?

Prof. Altman—CDEP capital and administration is provided on a formula basis at the moment. I think that that has grave limitations. I think that CDEP organisations should be challenged to put forward project proposals to government and be provided the budget that is necessary to run that project. They could make some of these arguments in relation to the national, local and regional benefit that that will generate.

Mrs VALE—The administration, though, has to be more convinced, does it not, of the value of those programs or activities?

Prof. Altman—Yes. You are asking very small, currently underresourced, remote community based organisations to make a very sophisticated argument to government. Some of them can make that argument but others of them obviously do not have the capacity to do that. But for some of the more powerful organisations, the successful organisations like Bawinanga Aboriginal Corporation, which has a turnover of $26 million to $27 million per annum, it still falls on deaf ears when they make an argument that, for example, they can deliver coastal surveillance very cost effectively to the Australian nation. They are having difficulty being heard. There is a commitment to maintain the high-tech, remote sensing approach that also happens to be less than 100 per cent successful. Otherwise you would not have boats getting through the radar net.

CHAIR—I am conscious of the time. I have a couple of points about CDEP and employment. It is important that we generate this discussion. You would be well aware of the discussion around welfare dependency and skill development. I would like to link that with the enhancement of CDEP and the activity levels. I want to feed in there as well the idea of no work, no pay. You have heard this. It is a popular comment and it is still out there. And there is the idea that CDEP is part of the journey, not the destination. You have made the point about the labour market and very remote areas. Can you make some general comments about this discussion that we are right into in Australia about welfare dependency and the enhancement of CDEP. How do we reconcile them as best we can?

Prof. Altman—Obviously, I think we have to change the rhetoric. I do not like the term 'welfare dependency'. I am much more comfortable with the term 'income security'. Most CDEP organisations have utilised a no work, no pay rule for some time. But in situations where people do have passive welfare options, it is very difficult to enforce that rule. The participants recognise that they are getting what is referred to in popular rhetoric as their unemployment benefit equivalent or entitlement. I think you change that mind-set by in fact making CDEP employment something that is recognised and valued, and you provide destinations out of CDEP by providing the top-up to generate full-time employment out of CDEP employment.

Some of the successful organisations that run effective CDEPs use CDEP to supplement the incomes of participants and supplement the hours that they work. They move them towards, if not to, full-time employment. I made the statistical observation in a paper with Matthew Gray early last year that the exits that these organisations are able to create for their CDEP participants into full-time employment, still underwritten by CDEP, are far more effective than what the Department of Employment and Workplace Relations is able to do. I think we just have to be realistic about what jobs are there and then we have to try and move from part-time CDEP employment to full-time CDEP, plus locally generated top-up employment. I think that is possible. I do think, though, alongside that, that we obviously attempt to assist Indigenous people to move to any award, salary based employment that is regionally available.

CHAIR—We should not exclude that. It should be part of the journey as well.

Prof. Altman—It should. But I think we also do not want to get too ideological and look at the labour market in this remote region and say, 'There are 50 non-Indigenous people employed. We'd better knock them off.' Because the reality is that often they have the capacities and skills that in fact you will not readily replace with local Indigenous labour. I think we also have to be a bit realistic.

CHAIR—I had better draw this to a close. Thank you, Professor Altman. Can I invite you, Dr Boyd Hunter, to make a brief opening statement. Thank you for your submission. Then we can go to some questions.

Dr Hunter—You have been spoiled by Jon; he knows a lot more than I do. I am a bit more confused than he is. Hopefully you will learn something from me, though. The comments are drawn from a submission I made with Dennis Foley and Matthew Gray, but the comments I make are my own. They cannot be here to defend themselves. I am a reluctant contributor to the inquiry, because I was a bit confused by the terms of reference. I want to extend my sympathies to the inquiry, because I think the terms are a bit intellectually incoherent. Of course, the words make perfect grammatical sense, but I am not convinced that the questions fit into any meaningful framework. When I first read the terms of reference I thought they were very limited and pre-empted what people could say. They were written by a Pollyanna, for want of a better word, looking at positive factors and how to improve employment outcomes. You know the terms of reference, obviously.

I have no problems with being positive, but there appears to be an excessive emphasis on the positive factors and a failure to acknowledge the binding constraints facing Indigenous job seekers. Consequently, our discussion, as well as talking about positive factors, draws attention to the constraints facing Indigenous people. The other issue I have with the terms of reference is that you are asked to look at the contribution of practical reconciliation to positive outcomes. As I understand it, 'practical reconciliation' can be defined as an achievement of, or aspiration towards, positive outcomes for Indigenous people relative to other Australians. The inquiry, as I understand it, is looking at how positive outcomes contribute to positive outcomes. Good luck to you. That is at best circular, as far as I can see.

Anyway, notwithstanding the qualms, our submission tries to look at positive factors, such as Indigenous entrepreneurs. That is largely drawn from Dennis Foley's doctoral thesis. He is in a better position to talk to that. We look at education and positive factors underlying the efficacy of labour market programs and job search behaviour. For example, the joint work that I did with Bruce Chapman and Matthew Gray showed that wage subsidies are the most effective labour market program relative to job creation and Job Search training. It may be possible to enhance the intensity of Job Search by stricter administrative regimes, such as job seeker diaries. But the increased intensity of Job Search did not result in any significantly improved Indigenous employment outcomes. The submission also discusses the role of discrimination, which we believe to be important.

Rather than go through all our research, I wanted to talk about Nobel prize winning economist James Heckman, whose seminar I had the pleasure of attending last week. He was chiding the economics profession for focusing excessively on cognitive abilities rather than non-cognitive abilities. The non-cognitive abilities include motivation, persistent self-discipline, those sorts of things. The focus on cognitive abilities in the traditional literature is on a sort of privilege IQ, which is a particularly nebulous concept and allows dubious claims to be made about racial differences being inherently biological. I am thinking about the bell curve by Charles Murray and others. Heckman's research, which is coming out shortly, shows how economists have systematically discounted non-cognitive abilities when estimating factors underlying labour market disadvantage. The importance of this is that non-cognitive abilities are formed early in life and are likely to be heavily influenced by the family in the early years.

There is a large body of research, Heckman claims, in psychology and neuroscience that tells you skill begets skill and learning begets learning. There are several critical or sensitive periods in the lives of young children. Once a child falls behind in fundamental skills, he is likely to remain behind. Remediation for impoverished early environments becomes progressively more costly the later you attempt to intervene. Most investments in education, training and labour market programs are positive, but returns to early investment are particularly large because the later investments build on the early investments, such as a stable family environment et cetera. Some social scientists say that is just an economist acknowledging the importance of social and cultural factors. However, it offers an explanation to me why my research consistently finds that family background is particularly important as a predictor of arrest, amongst other things—which feeds into employment down the track. My doctoral student, Nick Biddle, who is sitting in the back row, is writing a thesis that demonstrates the substantial underinvestment in Indigenous preschool education.

I wrote a monograph on Indigenous Australians in the contemporary labour market. One of the difficult findings was about discrimination, which was a major factor, or appeared to be a major factor, anyway. Labour market discrimination is a tricky area of research, as it refers to the extent to which Indigenous employment disadvantage cannot be explained by statistical techniques. While I cannot discount discrimination being a major factor, if not the major factor, underlying Indigenous disadvantage, to be honest, the finding, as much as anything, may reflect the inadequacy of the theoretical models and the data used to estimate relationships. The large discrimination component may actually reflect non-cognitive factors or even something as basic as labour market experience.

Notwithstanding my reservations and my confusion on these things, I want to be honest in what I am saying. Indigenous people feel that discrimination is a binding constraint. Foley's research indicates that Indigenous entrepreneurs felt that discrimination in the supply chain, securing finances and even from customers was actually holding people back. This is particularly important because, if you are looking for positive examples, the positive examples are going to be the Indigenous entrepreneurs. Entrepreneurship is actually seen as a way of circumventing discrimination. If you cannot get past discrimination in your entrepreneurship then you are fairly stuffed. It is my opinion that discrimination is particularly difficult to address in legislation, so I am not really advocating that. It requires fundamental change to the behaviour of the people doing the discriminating. But Heckman's emphasis on non-cognitive abilities and investment in the environment of young children would seem to be especially important, because the pay-off to investment is not immediate but is likely to be very large in the long term.

The whole point of Heckman's talk, which I will relate to the terms of reference, was that existing policies tend to overinvest in the working age population and underinvest in the childhood years, which in any case is seen as the domain of the family. Labour market programs still have positive returns—that is what we all find—but they are very small compared with the returns for young kids and are more likely to be subject to equity and efficiency trade-offs that plague much of government policy. If you want to focus on the positive issues, the only way that you are ever going to be able to do that is to look at early childhood education.

Finally, I would like to draw your attention to the work I have done with Jon Altman and, more recently, Nick Biddle, analysing socioeconomic outcomes over the reconciliation decade between 1991 and 2001, in which we found that there was no statistical evidence from census

data that Australian government programs and policies between 1996 and 2001 delivered better or indeed worse outcomes for Indigenous Australians than the immediate political predecessors. To me, the intractability of the issue is worrying because it is evident at a time when the Australian economy is growing rapidly and Indigenous Australians are not sharing in that growth. I have further comments here, which I will deliver to you if you are interested.

CHAIR—Thank you very much. That was quite provocative.

Dr Hunter—Is that not the intention?

CHAIR—Thank you for that. As you say, you have genuinely sought to be direct and honest about it. There is a lot of information around. Can I talk about Dennis Foley's work in the entrepreneurial field. He was one of our first witnesses. We talked it through with Dennis.

Dr Hunter—So you have talked to Dennis?

CHAIR—Yes, we have—about 12 months ago. We were delighted to hear of him again because we are looking for the pearls, as you always do in this work. I guess that non-cognitive stuff rang a bell with me about the nature of business. How naturally do you think this entrepreneurial approach comes to Indigenous people? It seems to me that there is a real challenge in understanding a little bit of that. Dennis put goodness knows how much work into it. You understand it better than I do. Could you just talk a little bit about that. Go back to David Unaipon, for example. Do you know of David Unaipon, the great inventor?

Dr Hunter—Yes, of course. Dennis wrote a thesis on it. I commented on his thesis at the conference of economists and I was suitably sceptical of his approach then, while trying to give constructive feedback on what he did. I do not necessarily follow his approach intellectually but I do respect the body of evidence that he has collected from Indigenous entrepreneurs. That is actually the sole bit of evidence that you have about what they are feeling. I have no doubt that they are feeling discrimination about what is going on. Dennis identifies that and the skill deficits. It is particularly concerning to me that there is discrimination from the customers of Indigenous business. That means that you are not going to be able to set up a business, even with the most drive and motivation in the world, and be that successful. Discrimination is a rationalisation. That would be my view. A lot of people feel discriminated against, and that is the important thing, but, really, if you want to address the issues, the issues are formed the process of skill formation early in the piece. The dynamics of it are crucial. We are focusing on the adult population, but really the quality of skills formed earlier in the lifecycle is the problem. Dennis found several things, one of which was that one way around addressing this lack of skills or access to capital was to have a non-Indigenous spouse, which gets you access to suitable social networks. I found that particularly interesting and stimulating. Dennis has a very interesting thesis. We are putting out a discussion paper on his work shortly.

CHAIR—Thank you. I would like to go on, but I need to move on to questions.

Dr LAWRENCE—Without justifying the terms of reference, I think that that is what happens when you have a committee determining these things, especially one which has many views about what we could be doing and is divided by political differences.

Dr Hunter—I am sorry, I was not trying to—

Dr LAWRENCE—No, and in many respects you are quite right, because we were conscious—the chair, particularly—of the litany of distressing reports about Indigenous employment. We felt that maybe it was time to try and dig out a few of the nuggets, the sorts of things that Jon has been talking about, where there had been better outcomes than the average—which is pretty depressing—and to find out whether there were any lessons to be learned from those stand-out examples. Maybe there are not. Maybe it is just that sometimes it works when you get enthusiastic people who drive it. My view would be that you cannot eliminate the need to consider the history of Indigenous disadvantage. I do not think you can. That is the argument, really, about reconciliation versus practical reconciliation. You see in those terms of reference the illustration of the continuing debate about the nature of the problems we confront.

You mentioned intractability, and that is the way everyone feels about it. I wonder if you would care to speculate, since we are being provocative here, about what would happen if you reversed the onus of responsibility. We constantly leave the responsibility for these problems with the Indigenous communities themselves, or even with individuals, and yet we have been delivering programs with varying degrees of success in these areas for generations now. Maybe it is time that some of the responsibility lay on the desks not just of ministers but of public servants. I was talking to someone yesterday about the possibility, for instance, of providing significant additional funds to the people who administer these programs and the bureaucrats who oversee that administration—if you like, bonuses—as they get better outcomes. Equally, if they do not, we could penalise them by, maybe, failing to provide additional funds. I think that sometimes we do not put the responsibility where it belongs in some of these failed programs. They fail decade after decade. No-one is responsible.

Dr Hunter—The point of mentioning the Heckman study was not because it was the last thing I read and I was very interested in it but rather because he is a Nobel prize winning economist.

Dr LAWRENCE—By the way, as a social scientist, I say, 'Where have you guys been that you did not understand this stuff?'

Dr Hunter—Economists are just like that.

Dr LAWRENCE—That is why I left economics in 1960-something, because they did not get it then.

Dr Hunter—The point of talking about Heckman, in many ways, is to refer to the long time lags that are involved in the policy debate.

Dr LAWRENCE—I agree with you about that. I was not trying to undermine that.

Dr Hunter—If you are talking about bonuses for public servants for delivering programs then you are going to come across some problems. If you are making them responsible for something that happened many years ago and which depends on somebody else's problems, it is not going to be very responsive. You provide a set of incentives for them and they are not going to be very responsive to it because they cannot do much in the short term. The people who have to have the

long vision are the government, really, in terms of where you allocate your funds to break into the domain of early childhood. How you do that is another question, but one of Heckman's points was that the family domain is not seen as a suitable avenue for policy action by economists.

Dr LAWRENCE—No, it is other people's—

Dr Hunter—or a mainstream one. It is the business of the family and you stay out of it. But, in fact, this is where the crucial issues are occurring, so a gentle system of investment and support for families is what is required, I would have said, rather than incentives down the track. I am not putting a determinist view of human nature and saying that you cannot recover things that happened in life previously, but it becomes more difficult over time. So I am very sceptical of the prospect. You would want to put pressure on administrators to perform well, but a series of bonuses would just be wasted money, I would have thought.

Dr LAWRENCE—Does it not depend a little on what you reward? I do not want to press this point; it was just by way of illustrating. For instance, there are reports in the *Sydney Morning Herald* today that access to child care and early childhood intervention programs through the pre-primary education system is going to those who need it least. There are people in the community with substantial educational resources who can basically do that job themselves. They are middle-class and well educated. Sometimes they have a parent who is able to stay at home at least some of the time and look after the kids. They are the ones who are getting most of the dollars and opportunities, whereas the kids that we are talking about are not getting them. That is an intermediate position. So the bureaucrat who delivers an outcome like that has something to answer for.

In an Indigenous community, the first question is: are kids getting the preschool support, the child care, the early childhood intervention, whether there are special needs or not? We do not know what the outcome of that will be, but sure as hell they should be getting at least the programs that are likely to produce those long-term benefits—the family support, the income support, the education et cetera. I do not want to push it, and I agree with you entirely about the critical nature of that program, but there is no reason why we cannot say, 'Well, why aren't these kids getting the money—the dollars, the programs, the resources? You're the administrator. Why is it that people in North Sydney, who are extremely wealthy, are getting it and the kids in east Arnhem Land are missing out?' That is a reasonable question, I think.

Dr Hunter—It is. But you need research to work out why it is going that way. I do not think a lot of the administrators will know the answer themselves.

Dr LAWRENCE—Should they?

Dr Hunter—The government departments should be working out why the resources are going a particular way and should know where their resources are spent if they are serious about policies to address access.

Dr LAWRENCE—I guess we agree on that—we need to know where it is going.

Dr Hunter—But I do not think that focusing on the local administrator is going to help much.

Dr LAWRENCE—I do not mean that. I mean up the line. I actually do mean right near the top.

Dr Hunter—Okay.

Dr LAWRENCE—Sorry about that misunderstanding.

Mrs VALE—Just one short question, Boyd, and thank you for coming. You mentioned the poor gains that we have had in Indigenous outcomes between 1996 and 2001 and the fact that there was no relative improvement from the period of the previous government. You also said that you had some comments on that, if asked. What are the comments that you were referring to?

Dr Hunter—I am not saying that there have been no gains; there has just been minimal gain and a lot less than you would expect. In absolute terms, you could say that for the Indigenous population, and for poor people in general, there have been absolute gains. But, in relative terms, if you focused on practical reconciliation as a relatively recent phenomenon then you would have to say that it has not done any better than the previous eras. A paper that Jon and Nick Biddle did, looking at it between 1971 and 2001, found that in the longer term there have been more general positive changes over time in education, income and the like and that things are getting better slowly. People lose sight of the fact that it is a very slow process and that with some of the investments you really do have to take a longer term view. That is what I am advocating. Focusing on the short periods of government is not that helpful, really—even though we did it in our paper, it was just to get the debate going about what practical reconciliation means. But the longer view is much more important than allocating blame to any particular body. It is a blame that we all share, in a sense.

Mr GARRETT—Last year was the United Nations International Year of Microcredit. I notice that you have made reference to the possibility for expanded microcredit programs to operate as a means of enhancing Indigenous employment, particularly start-up capital for small business. I would like to hear a bit more about that. There are a very small number of microcredit programs operating in Australia, to my knowledge. If there are others, I would like to hear about them, and I am sure the committee would. Have they been evaluated? I think most of us know about the Grameen Bank, but reference has been made also to a Hawaiian model that has been working successfully. Are there things that can be dragged out of there that can provide us with some additional information as we consider this issue?

Dr Hunter—This is where I wish Dennis were here, because that was his thesis. His masters thesis included the Hawaiian situation. I am more sceptical of microcredit for providing start-up capital for small businesses. I do not think that they are going to provide sufficient capital to conduct business in a developed economy. The Grameen Bank situation is in Bangladesh. The start-up capital required is a lot smaller and you can have a smaller scale, whereas it is not clear to me that that is going to be useful in the Australian situation. The interaction with the welfare system is more complicated here so, really, we are talking about microcapital for the management of household budgets. That might be useful in the household situation in providing stable household environments which, down the track, might be useful but, thinking in terms of entrepreneurship, I am more sceptical. As I said, Dennis is more sanguine about that and he saw it as quite useful. I honestly do not know. I would have to go back to his thesis.

Mr GARRETT—I know that we have had access to it here. I am interested to know. To follow it up a little bit, I want to talk about the capacity for communities to deal effectively with the demand for tourism and the desire that people have for authentic tourism experiences. If it is not dealt with in policy terms reasonable quickly it strikes me that it is going to set up a fail-fail result, whereby we know that there is an extraordinary demand for people to come into Indigenous communities to share a cultural experience and we know that the communities themselves, in many instances, would like to be able to do that, if they could. The tourism bodies want to see it happen as well, but it is not happening, clearly, and it is not going to happen in the short term. The failure of it to happen will then, in a sense, become a negative feedback loop. I am not expecting any magic bullets to come to us here, but are there things that we should be thinking about, maybe even in relation to tourism policy generally, which might start to address this issue?

Dr Hunter—I do not feel in a position to really answer that.

Prof. Altman—Can I make a comment?

Dr Hunter—Yes. I was looking to you at that stage, Jon.

Prof. Altman—I think that there are, again, some quite successful small-scale cultural tourism enterprises. Funnily enough, many of them are also underwritten by CDEP. Tourism, as we all know, is an enormously demanding service industry. Communities do need to be allowed to go in at a level at which they are comfortable. I think that some communities are doing that. Where they have got the resources, like rock art, for instance, they are utilising those assets to allow high-paying, small-size groups to come in. Also, I think that we often fail to make the association between Indigenous art and tourism. Indigenous art is an indirect form of cultural tourism that has proven very successful. Again, there are organisations that are setting up galleries that are community owned. They do, I think, often need access to capital. The successful ones can go and get commercial finance, but the smaller ones probably do need access to soft loans. It is not a reason to do things that are not commercially viable; they have to have good business plans, and I think that they need to be supported.

On the microfinance question, I thought I would draw your attention to two conferences last year run by the Good Shepherd in Melbourne that focused on microfinance. I think you will find that the proceedings are on their website. They made some very interesting points about how programs like no-interest loan schemes were highly accessed by Indigenous people. But these are really schemes to assist people to buy things like washing machines or computers for their kids. The ANZ Bank also runs the Saver Plus program, which has been very positive and is being extended to Indigenous Australia. Interestingly, one of the things they found with the no-interest loan schemes—NIL schemes—was that there was a very high rate of repayment, 90 per cent plus. One of the only reasons why Indigenous people defaulted at a higher rate was that people died when they had the loan. That was one of the main explanations for the higher default rate of Indigenous people. I think some of these schemes are quite important. I agree with Boyd that banks like the Grameen Bank are not going to make a difference at the scale of enterprise that you are talking about. Even if it is a small-scale cultural tourism enterprise, it is going to need capital that is far greater than some sort of community based Grameen Bank model is going to deliver.

Dr Hunter—Joint venturing is another possible avenue where you are importing the skills of the mainstream business as well as the capital, and that has probably not been given enough emphasis in Indigenous Business Australia type enterprises.

Mr GARRETT—Have we got time for a follow-up?

CHAIR—Just a quick one. We need to sharpen up. Go ahead.

Mr GARRETT—I was interested that you raised the issue of joint venture because, within a contemporary Aboriginal economy, we might say that there is a great circulation of money from family member to family member. Those families that are successful in managing and maintaining some accountability on that flow of money are most likely, because of the practices that they have developed, to be able to consider setting up, and anecdotally do have greater success in setting up, businesses and small businesses. I am wondering whether any thinking or research has been done on the money trail.

CHAIR—Dennis Foley has done some, but go on.

Dr Hunter—Dennis's is the sole work, and that is his value. He has gone into the field and had a look at the money trail. Basically, if you are talking to people, it is a very sensitive subject. The ABS is looking at—

CHAIR—His is a remarkable commitment to the issue.

Dr Hunter—It is. Also, he got into the family situation and he got their trust. That is unique in itself. You are actually asking a lot of information. I would not expect there to be many studies other than Dennis's on that subject.

CHAIR—We need to go to Annette.

Ms ANNETTE ELLIS—I want to make a couple of very brief comments relating to your comments, Boyd, about early intervention in education. It seems so evident, does it not as a need? We talk about it in terms of the non-Indigenous community all of the time. I was wondering if you had a view on not just that which we have heard but also the dual language thing. Is there a need for those youngsters to have dual language promotion rather than English promotion only? Do you agree with my casual observation of the enhancement of their education system or process by making that sort of approach more common than it probably is?

The other thing is that when you talk about success and terms of success it is very evident to me that any measure that we put on any of these processes needs to have short-, medium- and long-term aspects. It comes back to what you have both said about government expectations and government programs having that longer vision and having the determination and the courage to lay out long-term views in relation to programs. They need to recognise the short- and medium-term ones as well, because they then become a collaborative gain in outcomes for all of the programs we are talking about.

My final comment would be in relation to the CDEP. In particular, my comment relates to the very remote communities where there is no labour market and never will be in reality. From my

observation in past work on the committee, we were very strongly of the view as a committee that there was potential for less formal but still recognised and more easily structured training on the ground locally for CDEP proponents to deliver services that are otherwise not available: local council and local services that enhance the health and wellbeing of the community in every sense of the word. There are CDEP people in almost all of those communities, and that would be the only way that they can get those services. This is five or six years ago now that I am talking about, but there was no recognised attempt to deliver those people a training process that would be applicable to that circumstance; we were stuck on the more formal training processes that would never be achievable. I am sorry—there are three or four things there, but I just wanted to make those comments. If you have anything to say on them briefly, please, feel free. Otherwise they are just comments for the benefit of the committee.

CHAIR—If you could, as briefly as you can, address the comments that would be great.

Dr Hunter—On dual language, I am not quite sure of the angle you are coming from. I think some work I did on a comparison between New Zealand and Australia showed that New Zealand has boomed ahead in Maori employment—in fact, with a deal of convergence with the non-Indigenous population—whereas the Aboriginal situation has gone backwards. At the same time, while some people in Australia—notably someone from the Centre for Independent Studies, for example—are focusing on the problems with dual language, it is not a constraint in New Zealand. They have been expanding their Kohanga Reo childhood education and total immersion schools, which involve teaching and learning in Maori, and it is not a constraint. I am not quite sure how much of a positive it is but I know it is not a negative influence. It is positive in terms of maintaining cultural factors, so one has to say it is good.

Dr LAWRENCE—Some of those non-cognitive factors.

Dr Hunter—Yes.

Ms ANNETTE ELLIS—The reason I am bringing it up is that it seems to me, in my very unacademic fashion, that the cultural health of those people could only be enhanced by the maintenance of their culture plus the learning of our culture, English and the culture of the world in which we want them to participate rather than excluding one for the sake of the other. That is really the point I am making.

CHAIR—Any other comments on anything else?

Dr Hunter—Not really, except that I more or less support the statement about CDEP and informal training—there is scope for that, I would have thought.

CHAIR—All right. Thank you once again for your time and generosity.

Resolved (on motion by **Mr Garrett,** seconded by **Mrs Vale**):

That the committee authorises the publication of the transcript of the evidence taken at this public hearing today.

Committee adjourned at 12.54 pm