

Economic development - a *panacea*

The real
(UNAPOLOGETIC)
solution for Torres
Strait Islander
and Aboriginal
communities

The best solutions are often the simplest.

So, let's start with a driving question - what is blatantly different between the "developed" and Indigenous "third world" side of Australia?

The answer is straightforward - one side enjoys economic development.

Below is a link to the 4 Corners investigative report on Rheumatic Heart Disease in Indigenous communities. In particular, we draw your attention to the video link below and/or the transcription of Dr Jonathan Carapetis.

Economic development directly impacts health, education, crime and general wellbeing



How Australia's health system is failing our most vulnerable | Four Corners

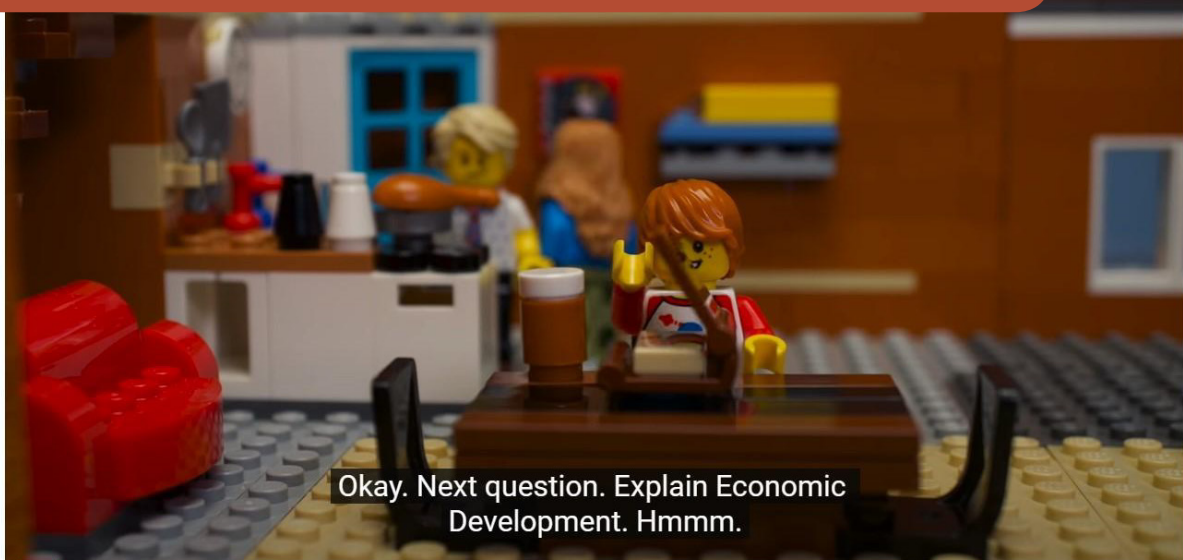
<https://www.facebook.com/abc4corners/videos/how-australias-health-system-is-failing-our-most-vulnerable-four-corners/285412887040081/>

“Rheumatic Heart Disease used to be an illness that affected many white children too.

Back in the 1940s/50s in Australian hospitals the main reason a children’s hospital bed was occupied was Rheumatic Fever.

During the second half of the 20th Century, it really started vanishing in most of our population, largely because we had better economic development, better housing, better medical services. What we have since discovered is that there are populations in this country that weren’t benefiting from economic development - particularly Aboriginal and Torres Strait Islander and we unfortunately found in the 1980s/90s and continuing to this day world record rates in Aboriginal and Torres Strait Islander populations.” - Dr Carapetis.

What is economic development? Click on the link below.



<https://youtu.be/DRPiODFGWRQ>

It is a known fact – across many studies and tried and tested examples - that any community in this modern day without economic development and participation will experience a negative impact on crime, abuse, decreased life expectancy, diminished health, low education, school attendance and so on.

Why do these communities lack economic development?

There are two major factors – one is due to government dependence which in turn diminishes drive and opportunities for independent growth. Second, as stated in a recent Queensland Productivity Commission (QPC) report on Economic and Community Development, is discrete communities were artificially established and did not evolve based on local economic opportunities and comparative advantages.

However, the QPC report also points out this creates an opportunity, as potential for development may be greater than current conditions suggest, because prerequisites for development have long been absent.

As mentioned in the QPC report this gravely affects the community as a whole - a lack of economic development and opportunity is an underlying driver of community dysfunction and ongoing strong reliance on government support.

‘Without economic development, communities will remain heavily welfare dependent and continue to live with the negative impacts of dependency’ - QPC Report

Reinforcing these findings Gulf Regional Economic Trust (GREAT) is not only aware of the facts listed in the QPC report but has walked the talk with great success and experience in the Gulf for more than 30 years. **Please refer to the link below** highlighting GREATs success implementing economic develop projects in the Lower Gulf of Queensland.

[Link to the Word document: Economic Development in Action.](#)

However, despite evidence pointing to economic development as the answer, government continues to hinder and not support in ways that would truly deliver.

In fact, the QPC report states, there is a risk that greater government involvement in development, beyond getting the economic framework right, could be counterproductive.

‘Dependence on others – the opposite of empowerment – can be reduced if Aboriginal and Torres Strait Islander people living in remote and discrete communities can have greater opportunities to generate their own wealth.’

The following pages contain further points from the QPC Report:

- The lack of economic development and opportunity is an underlying driver of community dysfunction and ongoing strong reliance on government support.
- Development is needed to drive the creation and accumulation of wealth within communities, providing employment and reducing welfare dependency and associated problems.
- Discrete communities were artificially established and did not evolve based on local economic opportunities and comparative advantages. However, the potential for development may be greater than current conditions suggest, as many prerequisites for development have long been absent.
- **The approach to the relationship between Aboriginal and Torres Strait Islander people and government needs to change. The role of government needs to shift from service provider or ‘fixer of problems’ to ‘enabler’.**
- Given the challenges of development, when a policy is designed (including service delivery policies), an important consideration should be the scope of the **policy should support development, or at least not impede it.**
- **Government should not intervene in communities in a way that displaces or crowds out local investment** in, and ownership and control of, commercial activities, including retail stores.

- **Economic development and growth of a private sector will provide jobs in communities, but this will take time.** More immediately, the Queensland Government can have an influence on local employment through the demand for labour created by its own service delivery activities.

Economic development – self determination

Economic development is closely linked to self-determination... The reason for emphasising the importance of economic development is not that the economy is more important than cultural and social issues.

'It is that without economic advancement, Indigenous Australians are more likely to lose their heritage and identity.' (Pearson 2005a, p. 4)

Community Driven

For communities to thrive key conditions must be;

- Development being **COMMUNITY DRIVEN** in order to best meet community (as opposed to government) priorities and in order to be **sustained over a period of time longer than government policy and funding cycles**
- Integrated partnerships involving the complementary efforts of multiple, diverse stakeholders at the community level.

Government needs to shift from service provider or 'fixer of problems' to 'enabler'

As mentioned in one of the QPC report key points above, the approach to the relationship between Aboriginal and Torres Strait Islander people and government needs to change. The role of government needs to shift from service provider or 'fixer of problems' to 'enabler'.

GREATs CEO Brian Arnold says, "They can help economic independence by enabling access to opportunities that may not have been realised, in order to **accelerate**/expand economic activity."

Culture of enterprise

Development requires a mindset which seeks out opportunity. To identify and pursue opportunities requires individual initiative and belief in one's abilities to succeed.

Displacing and crowding out investment opportunities -

Government policies can accidentally displace or crowd-out investment opportunities, including opportunities to invest in, own and operate businesses in communities. When this occurs, a valuable opportunity to learn and build capabilities is foregone. Given that few economic opportunities currently exist in many communities, it is important that government does not displace those that do exist, and allows for new opportunities to be captured.

This has not always been the case - government ownership of retail stores provides a case study to illustrate issues of displacement and crowding-out.

A perfect example is the CEQ construction of a new grocery store in Northern Peninsula Area (NPA).

Seisia Enterprises operates a number of retail ventures, including a supermarket and a butcher shop, in the NPA to enhance employment and training for community residents. The profits and proceeds from these enterprises remain within the community for the benefit of the community.

The CEO of Seisia Enterprises is now very concerned that CEQs development of a new store is going to threaten Seisia's enterprises and may even force them out of business.

He said that the development of commercial enterprises in the community by government is not what the government should be promoting. Economically, CEQ will contribute little to the community, will not share its profits with the community – and will not contribute anything to the economic development of the area.

The Queensland Government, through the statutory body Community Enterprise Queensland (CEQ), owns some retail stores in discrete and remote communities. CEQs stated aims are to provide communities where they operate with a 'range of food, drinks and household items essential for a healthy life, at a fair price' (DATSIP 2016).

Government ownership of retail stores in communities is rationalised on the basis that there is too great a risk that, without government involvement, the store will fail, and the community's food supplies will suffer. Partly, this perception is related to the commercial difficulties with owning and operating a store in remote communities: government ownership of stores contributes to a stagnant business culture in remote and discrete communities.

A secondary concern commonly cited with government owned entities, is that they tend to be expensive (usually due to inefficiency) and do not have incentives to meet the wants of consumers.

This conception of the 'role' of government displays the problem whereby government assumes responsibility for something that should be an individual, local or market responsibility. In contrast, if the role of government is envisioned as enabling change, then the policies which follow will often be quite different.

Once responsibility is viewed as residing with the individual and the community, then it becomes clear that, for improvements in standards of living to occur over time, Indigenous people must be capable. Capabilities are only built through a process of learning, which takes time and usually involves failure. - QPC report.

“For a Voice to be effective, the government needs to have ears.” - GREAT



G R E A T

Gulf Regional Economic
Aboriginal Trust

Empowerment Through Business