



# AUSTRALIA



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## Permanent Forum on Indigenous Issues Tuesday 17 May 2005

### Eradicating Extreme Poverty and Hunger

#### Statement by Ms Shirley McPherson Chairperson, Indigenous Land Corporation

(Check against delivery)

Australia acknowledges the importance of the Millennium Development Goal of eradicating extreme poverty and hunger, and its relevance to many Indigenous peoples.

The roadmap towards implementation of the Millennium Declaration acknowledges that in order to significantly reduce poverty we need to achieve **sustained and broad-based economic growth**. It encourages countries to focus on their most disadvantaged through an **appropriate choice of economic and social policies**, and through **broadening partnerships between all stakeholders**.

The approach taken to alleviating extreme poverty will vary according to the particular situation in each country. However in our view these three strategies are generally appropriate and applicable.

In particular, without sustained and broad-based economic growth, it is more difficult to address the needs of the most disadvantaged within the community. Which means that Indigenous people have a greater interest than most in the adoption of economic policies that sustain and promote growth.

Over the past decade in Australia, for example, economic growth has averaged 3.7% per annum, inflation has averaged 2.5% per annum, and unemployment has fallen from 8.4% to 5.1%. The resultant robustness of the Australian economy has allowed us to withstand international shocks that have slowed other economies.

More relevant to our deliberations here today are the policies that have underpinned this prosperity: fiscal restraint and balanced budgets; taxation reform and labour market deregulation; encouraging competition by restricting monopoly and unfair trading practices; privatising government businesses; encouraging foreign investment; and moving towards free trade.

It is one thing, of course, to have policies such as these that promote overall economic growth, but they must be accompanied by other social and economic policies that promote an equitable distribution of the benefits that flow from growth. And that has been the case in Australia where it has been the low income households that have enjoyed the strongest growth in private incomes in recent years.

This has included Indigenous people who have shared many of the benefits of our recent economic prosperity. Since the mid 1990s, for example:

- the rate of Indigenous unemployment has dropped significantly and the proportion in private sector employment has risen sharply;
- the rate of home ownership has steadily risen, and levels of household overcrowding have dropped substantially;
- the proportion of Aboriginal children who complete high school has risen by one-third (it is now almost 40%); and
- Indigenous infant mortality has dropped by 25%

It is true that, for historical and other reasons, the majority of Indigenous Australians still experience a standard of living below the national average. But there is also a significant and growing minority of Indigenous Australians who have grasped and capitalised on the opportunities created by a combination of effective economic policies and equitable social policies.

For example, one in four Indigenous Australians with a job earns above the median (mid-point) national income.

The common characteristics of this segment of the Indigenous population are that its members are most likely to:

- have completed high school;
- to have pursued a post school qualification;
- to live in major cities where jobs are more plentiful;
- to live in smaller households; and
- to own or be in the process of purchasing their own home.

There is no great revelation in these findings but they do point to two of the keys to freedom from poverty – a decent education and an environment where jobs are available. To alleviate poverty, you need a job, which means that you need economic growth and therefore the sort of policies that facilitate and sustain growth. And for individuals and groups to take advantage of the jobs and other opportunities that come with economic growth, they need education and labour market skills. And to acquire those assets, they need social policies that combat discrimination and maximize equality of opportunity. That is, effective policy interventions by governments.

One of the most critical interventions – and a theme of this session of the Permanent Forum – is that of ‘achieving universal primary education’.

- itself the essential pre-cursor to further education, leading ultimately to employment and release from poverty.

### **Collective wealth, personal poverty**

Another issue that has recently featured in debate about Indigenous poverty in Australia is the paradox that many Indigenous communities are (as it has been said) “land rich but dirt poor”. As a collective, for example, certain communities own potentially valuable real estate, but as individual families they live in poverty.

It is recognized, of course, that the reasons for this paradox are complex. For many Indigenous people, land is not primarily an economic asset – it has spiritual and religious significance. And land is not the only ingredient in relieving poverty.

But it is also recognized that a system of communal land tenure does not readily allow individuals to engage in a contemporary economy. This is not just an Indigenous issue. It features in developing country debates as well.

The question is how to reconcile tradition and modernity without sacrificing either value.

How can governments best reconcile such individual aspirations – to own a home, start a business, or accumulate personal wealth – with the traditional customs and rights of the collective in relation to ownership of land?

These are awkward questions – because they highlight a potential clash between cultural traditions and the modern marketplace – but they are questions that are being actively debated at present within the Indigenous community of Australia. They are questions of direct relevance to poverty alleviation.

## **Conclusion**

Mr/Madam Chair, in conclusion, let me summarize the three propositions that Australia believes are fundamental to the elimination of poverty among Indigenous populations:

- first, governments must adopt broad policies that facilitate and promote the overall economic growth of the nation
- second, within that framework, they must ensure that Indigenous people have the chance to acquire the necessary skills to take advantage of the opportunities presented by a growing economy; and
- finally, Indigenous communities themselves need to find innovative ways of reconciling individual economic aspirations with a collective tradition of land ownership.

Australia supports the Permanent Forum in working to facilitate an international exchange of ideas and strategies to encourage the progress towards the Millennium Development Goal of the eradication of extreme poverty and hunger.