



**CAPE YORK
PARTNERSHIP**
Responsibility • Opportunity • Freedom

302-310 Sheridan Street,
Cairns Qld Australia 4870

PO Box 677, Cairns North Qld 4870

P 07 4042 7200 | F 07 4042 7291

E info@cyp.org.au

capeyorkpartnership.org.au

ABN 67 161 760 738

20 September 2018

Mr Russell Broadbent MP
Chair
Select Committee on Intergenerational Welfare Dependence
PO Box 6021
Parliament House
CANBERRA ACT 2600

Lodged as a submission via My Parliament portal:

https://www.aph.gov.au/Parliamentary_Business/Committees/OnlineSubmission/Submit

Dear Mr Broadbent,

Thank you for the opportunity to provide a submission to the Select Committee on Intergenerational Welfare Dependence in response to the Discussion Paper.

For far too many Cape York and Australian families, welfare dependency has become an intergenerational reality with the welfare system forming a symbiotic relationship with families with very high levels of disadvantage. On Cape York, this problem goes far beyond the often discussed problems with the income support system and affects all parts of life for families who are struggling to live their lives at the bottom of the economic spectrum.

The Productivity Commission in August 2018 released a research report entitled *Rising Inequality: a stocktake of the evidence* which is critical for understanding the problem of intergenerational welfare and its consequences and one that I would urge your inquiry to closely study. The report analyses income and wealth data for all Australians from 2001 and found that 'the length of time people spend in poverty is as important as the rate of poverty':

Persistent and recurrent poverty affects a small, but significant proportion of the population. About three per cent of Australians (roughly 700 000 people) have been in income poverty continuously for at least the last four years. People living in single-parent families, unemployed people, people with disabilities and Indigenous Australians are particularly likely to experience income poverty, deprivation and social exclusion. For people in these circumstances, there is an elevated risk of economic disadvantage becoming entrenched limiting their potential to seize economic opportunities or develop the skills with which to overcome these conditions.



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These risks are particularly elevated for children living in jobless households, which is a group that has stood out among the multiple measures of inequality and disadvantage. (PC 2018, p. 5)

Jonathan Koppel, the presiding Commissioner on this research, concludes that this group 'experience entrenched economic disadvantage; they are stuck at the bottom end of the mobility ladder' (National Press Club Address 28 August 2008). Peter Harris, Productivity Commission Chairman, makes particular note of the failure of public policy to understand the problem of entrenched disadvantage and therefore make any inroads despite an unprecedented period of economic growth:

But if there is one lesson for the future out of our analysis of inequality, it is this: despite 27 years of uninterrupted economic growth, and unemployment stabilising at a notably lower level (generally starting with a 5 and not a 7 or an 8), and significant investment in redistribution of income via Family Tax Benefit and child care assistance in the 2000s, and a boost to indexation of the age pension late in that decade, we still have 9 to 10% of Australians living on very low incomes.

... after thirty years, perhaps simply shifting money around and doing more of the same is not sufficient. We have measures in this study to show how forms of poverty for children in particular have actually risen over the last twenty years. There are certainly no simple answers to inherited poverty. (Peter Harris, National Press Club Address, 28 August 2008)

The leaders of Cape York have long lived and learned from deep and often traumatic personal experience the problems of entrenched disadvantage and the damage caused by well-intentioned but ultimately disastrous welfare-centric approaches seeking to target measures of inequality and 'closing the gap' rather than addressing the drivers of poverty and disadvantage.

Our leaders have not been idle and have led the development of a series of powerful actions to address entrenched disadvantage following Noel Pearson's 2005 call to arms in the *Cape York Agenda* where he sets out the issues and realities that have to be challenged so that 'Cape York people have the capabilities to choose a life they have reason to value'.



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Importantly this clear understanding of the problem and the solution is as relevant to the people of Cape York as it is to the people of Macquarie Fields or West Cairns or any other part of Australia where entrenched disadvantage is concentrated and wreaks its havoc street-after-street and year-after-year.

Since 2007, we have been pursuing the Cape York Agenda through the Cape York Welfare Reform Project, Empowered Communities and most recently through Pama Futures. Despite our efforts, our experience matches the findings of the Productivity Commission that government-led welfare and redistribution policies have been dwarfed by the minimal support for structural reform or specific measures that can overcome disadvantage. Passive welfare and the government machinery that force feeds it continues to thrive in our region.

Indigenous people must be the principal actors driving their own development through local (place-based) development agendas across Cape York. This is the only way to address the problem of intergenerational welfare and entrenched disadvantage. Indigenous agency, development, empowerment and productivity are all prisms by which all public policy objectives and expenditure should be considered at a regional and local level, including an unwavering focus on rebuilding social norms, lifting education outcomes, and engagement with the real economy.

In Cape York we are now applying these principles to everything we do and we can see the change happening before our eyes. Local groups have formed and are engaged, have a clear vision and are focused on outcomes. Local people want local development agendas that address short, medium and longer term priorities in every community and for these agendas and plans to become the driver of progress as stable and intergenerational blueprints. The momentum, however, is really on a knife's edge and Cape York communities are at a critical juncture for their future development pathways and for their very survival.

In Cape York we have also put significant thought and effort into developing an approach where families and individuals will be able to 'opt-out' of the Welfare System and into a structured Opportunity System. Under this approach, people would be guaranteed opportunities in return for assuming certain welfare reform responsibilities and obligations. They would be invited to enter into a pact with government on behalf of the wider Australian society which sets out the respective commitments of each party: the government will provide access to opportunity, and the individual and family will agree to live under those commitments that define the opportunity system.

I would welcome the opportunity for further discussion on the matters raised and wish the inquiry success in shining a light on these critical issues.



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Yours sincerely

Fiona Jose

Chief Executive Officer

Cape York Partnership