

SUBMISSION TO THE: Standing Committee on Migration.

by Stewart Fist

This submission is in three parts:

Part 1: Analysis of the problems, and criticism of the current policies.

Part 2: My proposal for a major development in North Western Australia

Part 3: Assumptions about Australia's developmental problems and possibilities.

Who am I: I am a retired journalist, newspaper columnist, film-maker and teacher. I work now as a volunteer editor of two global on-line journalistic/investigative web-sites <http://www.sciencecorruption.com> and <http://www.sourcewatch.org>. These are cooperative investigative-exchange sites for journalists which focus on corporate and political lobbying and science-corruption by special interests.

- From 1998 to 2004 I wrote the *Crossroads* column for *The Australian*; before that I edited a number of Fairfax magazines on computers and communications and worked as a freelance journalist.
- Prior to that I had been a television current affairs and documentary maker around the world; then later the first Training Director, then the administrative and academic head of the External (Film Industry) Training Division at the Australian Film, Radio and TV School.
- In 1959 I graduated from the University of Western Australia as a specialist Optometrist (contact lenses); then worked for a few years in a private family practice and as a clinical consultant at Royal Perth and Fremantle Hospitals. During my years as

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an optometrist I also wrote a regular column for the West Australian Tourist Bureau on the flora, fauna and history of WA which was circulated to small newspapers, and I contributed regular travel-feature articles to *Walkabout* magazine. I also travelled widely in Australia as a freelance photographer.

SUBMISSION

Part 1: Analysis of the problems, and criticism of the current policies.

This inquiry has its focus on ways to persuade Australians and/or migrants to shift to rural/regional centres in an attempt to stop or reverse the progressive 'hollowing out' of these towns due to regular migration of the younger country workers to our major cities.

I am now 80 years old, and have spent a life-time as a journalist and documentary film-maker, and I can say with confidence that all past attempts to reverse the drift to the city of rural workers have failed for the simple reason that, in a democracy, salaried workers (as distinct from indentured labourers) constitute a free-market. The idea that the coercion of migrants or refugees to rural areas via special visas can solve a long-term structural problem created by a free-market in labour is a delusion.

The experience of multiculturalism: The immediate post-war migration program brought many thousands of Italians and Greeks to Australia and, since many of these migrants had been rural workers in their home countries, it was hoped that they would naturally move to find jobs in the rural centres. In fact, the migration of low-skilled rural workers initially created a lot of resentment among the Anglo-Australian city workforce because they preferred to live in the cities and began to take the lower-class factory/industry jobs. They worked harder for less money because they had greater incentives.

The result after a generation was a successful form of 'Australian multiculturalism', and most Anglo-Australian would now agree that the beneficial effects of the Mediterranean migration outweighed any short-term negatives by a long way. But it had little beneficial effects on the expansion of rural areas.

However the current wave of migration is different in character, and it is a mistake to extrapolate from our post-war experience. The flood of Asian migration in recent years is breeding resentment of a different kind and it appears to me to be likely to create a racial schism in our society because of these differences:

- the rate of population growth has recently been excessive. It has distorted many important areas of the economy and culture (housing, education).
- the Chinese and some Asian migrants have tended to cluster together in middle-class enclaves in our middle-class suburbs; whereas the earlier migrations initially took over old run-down working class suburbs.
- special visa categories have encourage wealthy Asian migrants to buy houses and businesses in the wealthiest suburbs which didn't have them before. Their presence is more exposed to Australia's politically-active chattering class.
- it is well established that wealthy Asians buy local houses for investment but don't live in them. This is, at least partly, responsible for the housing cost distortions, and the owners are not seen as genuine migrants so much as foreign speculators.

It is now quite common in my suburb of Lindfield to hear of old residents who will no longer shop in Chatswood because it has been taken over by the Chinese. This is an exaggerated view of course, but it says something about the sensitivities of residents who want all new migrants to integrate into the Australian culture. They view the Chinese ethnic enclaves as creating the racial divisions similar to those seen in American suburbs and towns.

I don't believe this is overt racism; but it is an understandable expression of middle-class conservatism.

The hollowing out of rural townships

Australia's rural and regional towns developed as commercial centres in areas of rural development and mining. They spaced at a comfortable riding distance along the tracks of the stagecoach, and also at points on the coasts and rivers where the stagecoach and carriage traffic made contact with a useful trans-shipping port. Since these times there have been brief episodes where inland towns expanded to accommodate new local industries (mainly mining, meat-works, etc.), and some also grew for short periods following both World Wars when large land holdings were broken up for soldier settlements.

However the general expansion phase of settlement in rural Australia ended with the arrival of railways. The towns began to shrink following the construction of good roads and the general ownership of cars and trucks. These could carry the locals to a nearby regional centre for shopping where greater choice existed, and from the regional centre on to the capital city.

The progressive hollowing out of rural towns is a natural consequence of the development of transport infrastructure -- also a rise in general rural wealth, and the mechanisation and automation of rural occupations.

It is free-market forces in operation.

Libertarian economic interference: More recently there has been an even more rapid change to small towns brought about by the extreme forms of free-market fanaticism fostered by Reagan, Thatcher, Keating and Costello (in Australia). The global fashion in privatisation and deregulation led to the disappearance of government enterprises such as the Commonwealth Bank and mutual organisations (AMP/Colonial insurance, building societies etc.) and some highly viable cooperatives retail stores. These primarily had had social motives rather than profit requirements, so they had often withstood the fluctuations in local economic failures and remained viable in small towns simply because they didn't need to constantly generating profits. The devastation caused to the financial sector by the lending practices of the newly vertically-integrated banks and the privatised mutuals is now too well known to justify comment.

These small-town commercial business losses are a consequence of neglect of this once important Cooperative sector. At one time Australia often had a competitive balance between for-profit companies, government business enterprises, and cooperative-mutual organisations. (National Bank, Commonwealth Bank, Bendigo Bank). Each served to curb the excesses of the others, especially in the financial sector (loans, insurance, assurance, trading).

What's more, the government's own Commonwealth Bank at one time was charged with maintaining a banking presence in small towns across the country even when many of their smallest branches were only marginal economically (and often run by the local Post Office).

Rural town hollowing out followed the CBA's part-privatised by the Hawke Labor government in the 1992-93 period, and it was then completed by the Howard Liberal government sell-off of the bank later. The CBA began a decade of reducing branch numbers and cutting staff, poor services, vertical integration, and mergers. The other banks and the (now demutualised) cooperative financial institutes quickly followed. So thousands of small towns lost their basic financial services, which in turn exacerbated the problems of any small business trying to maintain a presence in small towns.

Businesses that could have sited themselves in rural settings following the development of information technology and low-cost, high rate data systems, will naturally be reluctant to set up in areas without small-business financial services.

Suggestion: Probably nothing could be done to help the rural sector more, with less effort and

finance, than to revitalise the Co-operative sector. The Federal Government needs a Cabinet-rank Minister of Co-operatives and Mutuals, with a Department which takes an active role in developing, promoting and policing this corporate structure.

We need special courses for Cooperatives in MBA-type business schools on the special problems of establishment, administration and organisation.

- It should be relatively easy for groups of disgruntled customers or enthusiastic entrepreneurs to set up cooperatives with very little in the way of legal fees and very little individual risk.
- Australia needs a complete rewrite of the cooperative legislation to allow hierarchical cooperative legal structures to exist and function like for-profit corporations (head-office, regional offices, branch offices).
- Special legislation is necessary to block the leverage-takeovers by executives dealing with unsophisticated members. It is far too easy for management to manipulate the system.
- Cooperative structures could also offer a part-solution to the problem small settlements often face when established mines or industries close down, destroying the town's viability. It is possible that a cooperative of stakeholders (both workers and townspeople) could maintain the business to the benefit of all.
- Rural cooperatives are the best foil for the market power of major retailers and commodity dealers which take control of the open market. (ie. milk price set by Coles and Woolworths)

We often forget how valuable the West Australian Cooperative Bulk Handling, WA Meat Marketing Cooperative, and West Farmers have been in that State. These business have survived and thrived when many of their for-profit competitors have failed. The AMP, NML and Colonial Mutual insurance businesses were all cooperative/mutuals which provided excellent service to millions of Australians for generations before they were demutualised and began to vertically integrate. Many thousands of houses were built using low-cost loans from mutual building societies.

Suggestion: We need the government to inquire into why some cooperatives serve their member-owners so well, while others failed. They then need to fix the sector and restore it to a level where it is a viable alternative to both government and for-profit enterprises in many areas of commerce (particularly the financial and information areas).

The 'Big Australia' policy

The majority of Australian politicians on both sides appear to be captured by the concept of 'Big Australia'. There is an element of the 'cultural cringe' here: the idea that we need to emulate the Europe and the USA (the politicians grew up with fictional American family sit-com TV about small towns.) Often there is no rational consideration of the immense difference in resources available to us (in arable land and water) when compared to these foreign models.

Future Australians will most likely look upon the country's wide-open spaces and low-population density as the most valued inheritance they managed to get from this generation.

- a. The arguments that Australia needs migration to correct some fabled age-imbalance is ridiculous. The recent claim that we need 24,000 extra age-care workers every 5 years, is totally fallacious:
 - The estimated change in the 'dependency ratio' (carers v. pensioners) doesn't take into account improvements in health and independence associated with increased longevity today.
 - While working migrants provide nursing care and basic services for the aged today - these resident workers will themselves require the same services in the near future. This is more a reflection of an inadequate social housing policy (suitable housing) for the elderly.
 - Australian suburbs consist almost entirely of quarter-acre blocks with three and four bedroom family homes. Australia has demolished many of the smaller inner-city cottages (terraces,

etc), and failed to develop appropriate small homes for the independent elderly. They are either pushed prematurely into nursing homes or they cling on as lone occupants of the old family home, struggling to clean and maintain it. There are many superior low cost remedies which just require policy development.

- b. If we try to solve these trivial problems by migration, then the current bubble of elderly baby-boomers and post-war immigrants from Europe will simply be replaced by further elderly-bubbles in successive generations. You don't fix one minor problem by creating a succession of others.
- c. The argument that Australia needs migration 'to have a work-force willing to do work that Australians refuse to do' is even more ridiculous -- other than as a short-term temporary fix of fruit-picking filled by back-packers.
 - o Most industrial jobs are automated these days, and more will be mechanised in the future;
- d. GDP Growth in Australia is not a measure of the citizen's 'well-being'. These figures are meaningless unless expressed in '*per capita*' terms.

Australia clearly has a problem with excessive city expansion over recent years. Both Sydney and Melbourne now house at least 1 million more than is comfortable, given the free land available and the exponential escalation in the costs of developing infrastructure on the fringes (and this is in benign climate times). Perth, Adelaide and Brisbane are close to their limits.

Partly driving this flood has been the political conceit that Australia needed a greater population to allow our leaders to take their rightful place among the global decision-makers. This has been held to be so 'obviously true' by many parliamentarians that Australia has had no substantial discussion about the consequences of these numbers, and no policy development reaching anything close to public consensus.

Belated recognitions of the problem of the major cities appears to be the political motivation behind this inquiry -- with an additional Liberal nod towards their rural Coalition partners and the National Farmer's Federation.

This 'Big Australia' thrusts is implicit in actions such as the NSW Government's recent dictate to all local councils that they must promote high-rise apartment and clustered commercial development. They have set targets. The State Government has been helping developers race to put up higher buildings on smaller plots by reducing their structural oversight. This has now led to the notorious structural engineering and infrastructure problems.

Brain-Drain: Australia contributes little to solving the global population problem by its migration intake (our intake is trivial). However we currently exacerbate the potential climate problem with migrant admission policies encouraging the brightest and the best to move to Australia through the Skilled Migrant visa program. It is easy to see the short-term advantage of stealing such talent from neighbouring countries, but the long-term consequence of this policy is detrimental.

- a. We offer places in most of our universities to help educate third-world citizens, and then encourage them to stay in Australia rather than taking their skills, knowledge and entrepreneurial attitudes back to their own countries. We are, in fact, actively engaged in implementing a 'brain-drain' program to the disadvantage of our less fortunate neighbours.
- b. If we had any real foreign-aid perspective we would help train the citizens of our neighbours in Australia only on the clear understanding (signed agreement) that, when trained, they would return to their country of origin.
- c. We seem to be incapable of looking at these complex interconnecting problems in any way other than with the most superficial and simplistic analysis. The development problems of our neighbours will be major determinants of our future climate.

Financial drain: Australia also attracts a lot of dubious finance through special visas for wealthy Asians, with little attention being paid to investigating how they are so wealthy ... even when they often come from impoverished countries. Australia is becoming a larger version of the Cayman Islands. This practice now extends down to the level where many of our visa visitors are buying investment houses which sit

I would contend that encouraging the transfer of capital from impoverished or developing nations to Australia in this way is detrimental to both their, and our, national economies. In Australia this influx of capital rarely flows through to productive assets, and when it doesn't it dilutes the value of Australian money that does. This financial import generally emerges in our economy as speculative wealth, and is a major factor in raising Australian asset prices and in feeding increased local inequality.

Multicultural benefits: Multiculturalism has had many obvious cultural benefits in the main cities, but these are largely offset by the spread of the suburbs and the dispersion of cultural facilities. We now have ridiculous commuting times and costs; increased road congestion despite constant infrastructure construction; new housing, but only on the city fringes - with inner houses being demolished for flats; a new emphasis on sterile high-rise apartments rather than independent family homes; and all the general inefficiencies associated with over-large, over-crowded cities. New York and Chicago should not be our development models.

- a. It seems to be generally accepted that at 5 million each, Sydney and Melbourne are already on the verge of being mega-cities ... too large to be efficient or comfortable to live in. Yet some of the projections say that these cities will double in size within 20-30 years.
- b. Generally the inhabitants of Perth, Adelaide, Hobart and Brisbane believe that their cities are already large enough to have the full-range of services and cultural activities without being "clogged like Sydney and Melbourne." Perth and Brisbane have already absorbed probably all the new citizens they can comfortably handle over the last decade.
- c. The regional centres stretching from Geraldton down to Albany, then across and up the coastline to Cairns (with the occasional inland centre, like Armidale) are generally seen as adequate.

Queensland coastal towns will obviously need to absorb Pacific Island migration in the next couple of decades if the current rate of ocean level rise is maintained.

Where is the public benefit? Where is the population policy?

The idea that the average Australian (as an individual) has benefited from the current population expansion policies is a fiction generated by vested interests associated with now largely discredited Libertarian economic theories and based on spurious economic claims about GDP growth, etc. This has been fostered by property developers, builders, industrial corporation and a few dubious think-tanks.

If we were able to measure "individual well being" then Australia has been going backwards for the past few years.

Behind the obvious lack of any formal public policy is the belief that Australia needs a population in the 50 million range in order to stand in the first rank alongside the USA, UK, Germany, Japan and China. Our politicians want to strut alongside the G7 countries, which, at best, demonstrates a demented vision of Australia as a nation capable of playing in the highest league.

We do, however, have considerable potential to become a leader of the smaller nations in our neighbourhood ... to foster and formalise Australia's local sphere of influence, and help lift them out of their low standard of living in a way which is less destructive to the global climate.
[See Proposal below]

Income and Wealth Inequality

The current rate of population expansion is a major factor in the growth of national inequality.

Australia has always prided itself on egalitarianism but in the last two decades it has changed radically, mainly due to the accelerated population growth.

- Inequality naturally accelerates during a rapid growth phase when a wealthy few disproportionately hold the essential assets needed for population growth (land, housing, borrowing capability, superannuation funds). This is especially obvious when cities have scarcities of housing. Those with control over the house-land assets can always lever advantage to themselves (out of all proportion to normal) and to the detriment of the asset-poor (migrants, younger couples, working class, and those young people now with massive HECS debts).
- Inequality is often intergenerational. The older holders of passive wealth are advantaged during growth phases to the detriment of younger active participants in the workforce. This is worse when the financial services industry is not being effectively regulated.

A largely unrecognised consequence of the Big Australia policy has been the rapid rise in inequality and the destruction of Australian egalitarianism.

A further cause of the growth of inequality is the commercialisation of our universities, mainly due to the discovery that fee-paying international students constitute a major industry. This has led to the idea that universities should be entirely self-financing from student fees (HECS debts). This has resulted in:

- the blow-out of salaries and other administrative costs associated with tertiary education
- the fact that young people now begin their working lives strangled by HECS debt.
- the belief that the professional classes should be allowed to charge whatever the market will bear to recover this debt.

Conditional Migration.

It is obviously now being proposed to relieve some pressure on the cities by forcing migrants to move to regional centres in what is clearly an anti-market, coercive scheme that is little more than a modern form of indentured labour.

These special visas have been designed to 'settle more migrants in rural areas' with the claim that there is 60,000 job vacancies in these areas just waiting for 60,000 immigrants to take up the nation's generous offer of settlement. If this is even partly true (and these are full time jobs) then Australian agriculture must be operating at half-speed.

If the jobs are part-time: what does the government plan to do with these migrants in the off-season?

The fact is that:

- a. First generation new migrants tend to cluster together to provide mutual support, cultural and religious connections, and they seek to maintain general language familiarity and friendships. This is only possible in the cities. What is being proposed here is the exact opposite. Many of these migrants will have lived their whole lives in big cities.
- b. After being translocated from a Cambodian city to a meat-works with rudimentary housing in Wagga, nothing guarantees that this migrant family will be happy, accepted, or suitable. What penalties will apply if they find they can't live in the bush?
- c. If this is simply persuasive rather than coercive, then the National Farmer's Federation should simply send small recruitment teams to various countries. They could provide the incentives for appropriate people (or perhaps families or geographical groups) to migrate under standard contractual arrangements. The price and profits of agriculture is set by the market place, and the isolation of Australia already provides these industries with a degree of protection. The markets for products and wages are supposed to iron these problems out. [The rural salary problem appears to

The Designated Areas Migration Agreements (DAMAs): are going to be administrative nightmares when the migrants are a remote distance from their friends and associates in the city. They can only ever be a short-term political 'fix'; not a real solution. They may satisfy the National Party for a few months around election time.

- What happens if the family buys a house in a country centre, then can't get work the following year because it is a year of drought?
- What happens if the family breaks up under the strain of cultural dislocation?
- What happens after a divorce ... with perhaps one partner returns to the country of origin?
- What happens if the family has serious health problems, or one of their children has development or educational problems which necessitates shifting to a big city.

Skilled Migrant visas: It is claimed that Australia needs a migration policy favouring the skilled professionals and entrepreneur ... but in practice, the DAMA visas suggests that we need rural workers, day-labourers and people willing to do crap assembly-line jobs. In fact most Asian migrants are reasonably well educated, aspirational and from the comfortable middle-class, much like the average Australian.

Migration hasn't noticeably changed the class composition of Australia, except perhaps for a dubious influx of wealthy Asians into the property market in some of the larger cities. This claimed 'need' for a migrant workforce is propaganda from the business lobby, pure and simple: it seems to me to be another part of the Libertarian propaganda aimed at denigrating the Australian worker and keeping wages down. If you pay the average Australian a realistic wage he will do whatever is required.

If one takes into account the progressive inadequacy of average wage growth to cover costs, the ridiculous price of renting or buying a house, then the extra costs now incurred in educating children (HECS debt), Australians are on average, no better off today than they were when our total population was only 18 million or so. If we are to reach the proposed target of 36 million by 2050 (adding 400,000 people each year) at least one generation will be noticeably worse off than we are today.

Australia is already feeling the strain. In one generation our population is doubling, while our major resources are either diminishing on a total, or per-capita basis, in water, land, timber, and most mining, or becoming useless (coal and eventually oil).

Resource limitations -- Water: The most limiting infrastructure in most Australian cities is the supply of potable water - especially since climate-change science seems to suggest longer and more frequent droughts. Sydney and Melbourne should already be looking at water-harvesting networks and storage schemes for their city areas (rather than desalination) with the possibilities of distributing both potable and non-potable water (toilet flushing, gardens) via separate pipelines throughout the more densely settled areas.

Suggestion: The provision of parallel feed pipes for both potable and non-potable water should be a requirement for every new high-rise apartment development.

Part 2: The development of a Kimberley/North West territory

A way to handle future refugees and migration

Summary: I am proposing that the members of the Inquiry take a bold step towards solving a number of

Australia's long-term problems of which immigration policy and refugee intake will constitute a major part in the predictable future. These potential problems in Australia and the neighbourhood can be turned to our advantage.

In essence: I am suggesting that a new territory/state be created in the North West by subdividing Western Australia in either of two ways ...

1. by splitting off the Kimberley region and designating it an International Zone, AND/OR
2. subdividing the state along the 26th parallel to create a new North West territory (surrounding the Kimberley region).
3. A revamped Broome would probably be the area's major population centre.

Within this territory, special visa conditions could apply to admitting students, migrants, economic refugees and asylum seekers. Unlike the rural southern regions, it would be feasible to police these conditions in the North West.

In a democratic country like Australia, the migrants and refugees can only be coerced into living away from the existing overpopulated urban centres if they are confined by contract to a distinct region where it is possible to monitor them for many years. So this proposal is as an alternative to the present migration and refugee handling which will inevitably create monumental cultural, infrastructure and resource problems.



We can now predict with a high degree of certainty that many of the current regional problems will only become worse with the inevitability of climate change. I contend that we must act humanely, but the only way we may have to stop a future flood of refugees is if the admitted refugees see Australian asylum only as a temporary measure. If Australia wishes to maintain its sphere of influence in Asia for reasons of both trade and defence -- it needs to develop friends among the refugees and migrants who will take their personal links and friendships back to their home countries.

I maintain that the current 'Big Australia' growth policies are leading Australia into a future with: chronic resource depletion (including both city and country water problems); an economic culture with a destructive increase in inequality; transport inefficiencies (city and rural), despite massive infrastructure costs; potential racial/cultural divisions, and the inevitable further losses of Australia's native habitat and bio-diversity ... even with our wide-spread acceptance of multi-culturalism.

I accept that draconian measures were necessary to stop the boat-people and the people-smuggling scams, so we need a system of handling refugees which is humane and acts as a disincentive to those not facing persecution. This was the source of the original idea.

However, there is much more to the proposal than this. It is possible to turn to advantage the location and the present lack of substantial development by creating an entirely new city. Obviously the development of a new centre of population needs a range potential applications to justify the costs.

New state/territory boundaries: The suggested territory boundary is an extension of the 26 degree South division between South Australia and the Northern Territory which would meet the West Australian coast just below Carnarvon. Most West Australians would see value in this change provided it is promoted as allowing more political focus to come on the South-West region. The Kimberleys-only International Zone is offered here as an alternative proposal if Western Australia objected to the split.

This new North-West territory has a number of small and generally declining population centres: Carnarvon, Derby, Onslow, Port Headland along its southern coastal reaches, with Broome and Wyndham to the north and east, and the Kununurra/Ord River Irrigation area alongside the NT border. Broome is

roughly in the centre. Railways once extended from Perth up the coast to Carnarvon, but they remain only as access easements. Other narrow-gauge railways and tramways have run inland from the various coastal towns at various times.

Capital city: The Kimberley and North-west region lacks any substantial town which might spontaneously develop into a city. It is also a truism that a new population nucleus will only develop into a viable and substantial town or city if it is a good distance from other viable cities. It also needs to be an administration centre. Businesses will only be encouraged to migrate here if their managers and investors are confident that the town will grow into a city and that this city will later become a state capital.

Broome appears to be the only town in the North West/Kimberleys region which has the potential to develop in this way. It has a workable port, a rudimentary international airport, plenty of water, and it is the Australian end of the main undersea cable link to South East Asia and on to Europe. Also, a substantial population could be fed by fresh food-crops grown in the Ord River Irrigation area, and the coastal area has enormous potential for both tidal electricity and wind generation.

Climate: The region suffers from high humidity and heat in Oct-Dec period. Then in summer between January and March, monsoons often force the closure of many roads and national parks due to heavy rain. Days are overcast and hot; heavy downpours are a frequent occurrence. This is also cyclone territory.

Broome has a reasonably good climate for most of the year. However a much more comfortable planned city, developed with this climate variability in mind, would be highly practicable today. In fact technical research into tropical housing and low-cost controlled environments should be included in the development and trade-education plans.

Eventually the roads in the North West would improve, and probably, over-time, railways would reach down the coast to Perth and across to the Ghan Northern Territory line making Broome a viable ship-to-electrified-rail transfer port if shipping costs increase to the level suggested by some recent studies on diesel fuel costs (with globally-imposed environmental carbon taxes).

Timing: I have put no suggested time limit on this proposal. It would be a national project which would carry some immediate initial costs and make some immediate cost savings. It could progress at the pace required at the time.

The Kimberley/North-West region would initially be treated as another sub-state following the established lines of the Northern Territory (but initially with an Assembly perhaps also having some indigenous representation). The professed aim would be to see (many years hence) the two northern-most territories merge to form a state of 'Northern Australia', having normal Federal parliamentary representation (12 senators) and its own State houses.

What can this proposal achieve?

- **Australian border protection**
 - There are clearly national defence training and surveillance possibilities.
 - There are also border-protection and smuggling control implications.
- **Refugees:**
 - Those boat people remaining on Manus and Nauru could be given special visas providing a safe haven but not citizenship (free movement within the territory on a work-and-learn basis). So as to maintain the 'threat' against boat-arrivals, I would anticipate that all refugees would need to sign an agreement to return to their homes when conditions permitted.
 - The facilities would also handle Australia's share of future economic and political refugees likely to develop from on-going conflicts in the region (Rohingya). These will undoubtedly get worse when climate problems arise.

- **Regional Multilateral Centre**
 - Australia could extend its sphere of influence by promoting the region as the 'Switzerland' of the Asian-Pacific area. We could establish and construct a permanent UN-type discussion forum with UN-like special dispute-handling and administrative facilities here for meetings of our nations neighbours (excluding the giants -- USA, China, Japan and European countries). We are obviously seen as the stable non-aggressive nation in this area and a North-West location for this forum wouldn't rouse national jealousies.
 - The decline of Hong Kong as an international trading centre is bound to leave space for a similar operation in the region to compete with Singapore. This area is ideally situated, and it would not be land-bound like Singapore.
 - This would be geographically an ideal location for the home base of a Quick Response Catastrophe unit for the region, with all the necessary warehouses, transport equipment, etc.
- **Educational facilities - Foreign Aid**
 - An Australian International University here could take the foreign-student load off Australia's southern sandstone universities. It is clear that relaxing the entry-standards must be detrimental to the quality of tutorials provided to Australian students.
 - By establishing a multi-university entry-level facility in the North-West region, the problem of first-year international students entering our existing universities with inadequate English skills could be overcome. Students could learn English in a collective environment where special tutoring and training facilities are available for the different language groups.
 - With the rapid growth of on-line courses around the globe, it could well be that a course-work translation industry develops here, making use of the language skills of immigrants and refugees.
 - Because of its proximity to the South East Asian countries, the Australian reputation for quality education could be extended from full tertiary course to non-degree TAFE and short-business courses.
 - There is no reason why these same institutions couldn't develop various subsidiaries and colleges and research institutes (probably on a single campus) in this region to service the Asian market. This obviously would be also seen in part as foreign aid.
 - Ideally, one of the towns in this new territory would be developed into a 'Science and Education City' with the CSIRO and various other medical and technical research institutes alongside the educational institutes. This could also become the new centre for the innovative use of on-line systems for higher education.
 - Another viable industry here is to develop language and cultural training and research centres for Australian diplomats, the security services, bureaucrats, and business people - making use of the language and cultural knowledge of refugee and conditional migrant population and students.
 - Australian scientific, medical and technical research has a well-deserved reputation, and this could support a tropical diseases research centre, and also research into the design of equipment and construction techniques suited for tropical conditions: ie. cyclone, earthquake and tsunami; developing heat and humidity controls for buildings; intensive agriculture, hydroponics, etc.
 - Conventions, web-sites and call centres: the location of the Kimberleys half-way between the main population centres of Australia and those of Asia, makes this an ideal location for the development of major convention facilities eventually.
- **New industries**
 - This might be a way for Australia to develop a range of high-tech and software industries.
 - Programmed obsolescence has been built into modern computers and peripherals (printer cartridges). Australia could lead in developing techniques for recycling, recharging, upgrading, computers and communications equipment for the poorer nations, and establish an exchange network for supplies and software upgrades.
- **Current Industries**
 - Tourism is important to this area, but it is erratic and not very beneficial to Australian business. Most recent developments have focussed on overseas cruise liners (with controlled

environments) sailing along the spectacular Ord-like north-west coast. It is unlikely that this business will continue once the effects of climate change become more obvious, because it is likely that the cost of diesel fuel will become prohibitive (these ships burn at a high rate).

- Fishing and the pearl industry are well established along the coast, but both are facing their limits. Broome still has a small cultured pearl industry.
- The cattle-pastoral industry still remains viable, but it is unlikely to be expanded. The old Wyndham government meat works has been abandoned.
- The Ord River development scheme opened in 1963. The town of Kununurra and the Ord River Irrigation Area (with two stages of dam development) were initially intended for sugar cane and later for cotton. Neither proved to match the economic claims. The Ord Dam now irrigates 750 sq kms of land with a 'steppe climate' and a rainfall of 800mm. Reports suggest that this area has potential as a fresh-food exporter to Asia given the infrastructure (all-weather airport) - so it would provide all the food necessary for the new state.

Biofuels could become important especially for aviation, so this might see a revival of the sugar industry.

- Mining is not a major economic force, however the region has the Argyle diamond mine and some gold and other mineral extraction areas. The WA government appears to believe that since the Gascoyne/North-West region has uranium -- and uranium is almost always associated with the rare-earth minerals -- that the state has something to celebrate [as they do regularly - with every mineral discovery including Poseidon nickel]. Trump's attempt to buy Greenland with its rare-earth mineral potential was obviously seen as worthy of emulation.

Most of the possible new industries have foreign aid implications. One important aspect of this proposal is that such developments would be seen, at least partially, as being altruistic. It would also carry the important message that Australia's restriction on population growth (both migration and refugee intake) is not another version of the 'White Australia policy' and help overcome the stigma of the Abbott/Rudd 2013 Pacific solution -- without necessarily issuing an open invitation to economic refugees arriving on boats.

The value of establishing a new territory is that it can be planned from the outset and controlled by imposing special visa conditions which can be policed. Despite its current lack of major industries, the region can be developed economically by trade, education, defence and foreign policy while taking both refugees and migrants ... but without the current negative effects that the rapidly increasing population is visiting on most Australian cities.

Energy-intensive industries

We are facing the demise of coal and gas power generation which currently support Australia's energy-intensive industries in the main population centres on the Eastern seaboard coast. Electric generation will need to be close to these industries in the future.

1. Certain industries such as aluminium refining and steel smelting are heavy power consumers, and will likely need to migrate to regions where low-cost, high-intensity current can be provided. The north-west area, because of its lack of intensive development, low population, wide landscape, high average sunlight and wind. has the potential for a renewable power generation on a larger scale than almost anywhere else in the world.

It is likely that this area could provide a worthwhile venue future steel, aluminium, rare-earth and other mineral refining industries.

2. **Solar:** The monsoon cloud cover means that solar is unlikely to be a major source of future energy in the North-west for about four months of the year, so this is not likely to support industrial development.
3. **Wind:** Large wind-farms could be mounted almost anywhere, either on land or offshore (where the

wind is stronger and more regular). Therefore the use of wind generation is certainly highly viable for domestic use (with battery backup), but without pumped hydro, it will be intermittent and therefore not of the level and predictability needed for industry. Low-level pumped-hydro is not very efficient unless the generate power to be stored is reasonably regular and predictable.

4. **Tidal Power:** However much more interest lies in the use of tidal power which is only a minor renewable factor in other parts of Australia. Queensland has a small development project; Tasmania has a tidal and wave-power trial; and the coastline above Derby in WA is developing a 40 megaWatt tidal power system. The whole of this north-west coast is recognised with having the highest potential for harvesting tidal energy in the world.

There are two forms of tidal energy: stream and barrage. Tidal streams can provide a very cheap form of non-intrusive sustainable/base-load energy when coupled with small pumped-hydro systems. Tidal power is highly efficient in terms of the amount of energy that can be reaped from the environment using the least necessary equipment " due to the sheer mass of the moving water v. air - and the regularity of the movement. It is also simple and easy to maintain primary equipment.

Tidal flows are predictable and regular (every 6.25 hours) and the north-west coast has the highest tides in the world. Predictability provides further economies in the amount of energy harvested from the least essential infrastructure.

Underwater turbines and water-pump equipment can be built into barrages across the wider inlets, or sunk below the streams in the narrower fiords along the coast. These systems can be fully submerged and therefore have no impact on the aesthetics of the region, especially tourism.

5. **Wave energy** is also a distinct possibility, but I can't offer an opinion on this.

Part 3. My Assumptions in constructing this proposal.

I am focussed on the problems and possibilities of Australia in the year 2040 ... which is my centennial year (I'm now 80).

1. The G7 countries (with Australia as a tolerated junior associate) represent just on 10% of the total global population, but these seven countries hold 40% of the global wealth. By extrapolation we can see that in the next two decades, even if the global problems of poverty and the prospects of local wars reduce, and our neighbouring countries standard of living rises rapidly (towards that of Australia):
 - then the physical-goods production (and the world demand for basic resources) will inevitably quadruple even if the population remained the same,
 - however, we know from basic demographics that the global population will rise by a minimum of 20% in the next two decades, so the demand for basic resources will rise between five and six times the levels of today.

Some basic resources just don't exist at these levels, so competition will build for control and consumption. In the interim, many of our neighbours are going to be mired in poverty, while aware of Australia's wealth.

- We also know from recent political upheavals and the rise of authoritarianism, that pressure on people to migrate or flee to Australia from Asia, the Middle East and Sub-Saharan Africa

In the light of these facts, it is unlikely that Australia can sit in comfortable isolation at the bottom of the world for the next generation.

2. **The most serious and most immediate problem facing the world is not global climate change, but population growth** -- but with climate change close behind.
 - Climate change is a consequence of the fossil-fuel-powered increase in the standard of living in the G7 countries over the last century (10% of the global number), exacerbated by a more recent rapid rise in global population (due to better health). This is despite the third-world's low levels of fossil-fuel consumption.
 - Half of the carbon-based fossil fuels used in this century have been consumed by the wealth 10% in the 30 years (since 1990). This means that at least half of the additional emission load (the carbon compounds, not part of the natural biocycle) result from the consumption patterns of the wealthy nations.
 - As they develop industrially, the inevitable demand by the third-world inhabitants will be for a standard of living equal to that of Australia:
 - **Consequently:** The use of fossil fuels must rise despite the Kyoto and Paris agreements, and it is very likely that drought and other adverse climate patterns are inevitable. This appears to be certain, even if the threat from climate warming proves to be a scientific exaggeration ... and despite immediate strong action to limit fossil fuels being taken by all developed countries.
 - While the Asian population growth is now coming under control (down to 2.1 births per woman), the Middle East and Sub-Saharan Africa have 3 to 5 births per woman, so this still presents the globe with a major resource demand threat (just slightly later).
3. While global warming is secondary to population growth over time, **we need to take urgent action on both**.
 - a. If contraceptives were issued freely today to all third-world women, and they immediately recognised the necessity of limiting their families, the world population would continue to grow for a generation because of (i) longevity increases, (ii) religious factors, (iii) better health care, and the fact that (iv) existing children will soon be at their reproductive age.
 - b. Because the third-world inhabitants are often faced with day-to-day survival, most climate control measures will only be imposed when major climatic catastrophes make action imperative.
 - c. Limiting our coal and gas exports is clearly the only substantial physical contribution we can make to combatting global temperature rise in addition to implementing measures ourselves. However, we aren't the only supplier of these fuels, so reduced exports will help through increasing the costs of fossil fuels on the global market ... which will be adding an additional cost burden to the third-world's development problems. We need to recognise this fact, and help ameliorate it.
 - d. Any Australian limitations on our own fossil fuel emissions will hardly make a dint in the global growth of climate problems simply because we have such an insignificant population anyway. **The value of these limitations is symbolic: we need to be seen to be doing our bit** (and more) while we focus on assisting the world-wide education and development efforts. The only real solution to population growth is education (especially of women) and here we can make a significant contribution.

The fact is that Australia can achieve more to help stabilise the global climate by expanding our sphere of influence among our neighbours, and then focussing on education as our main form of foreign-aid.

END