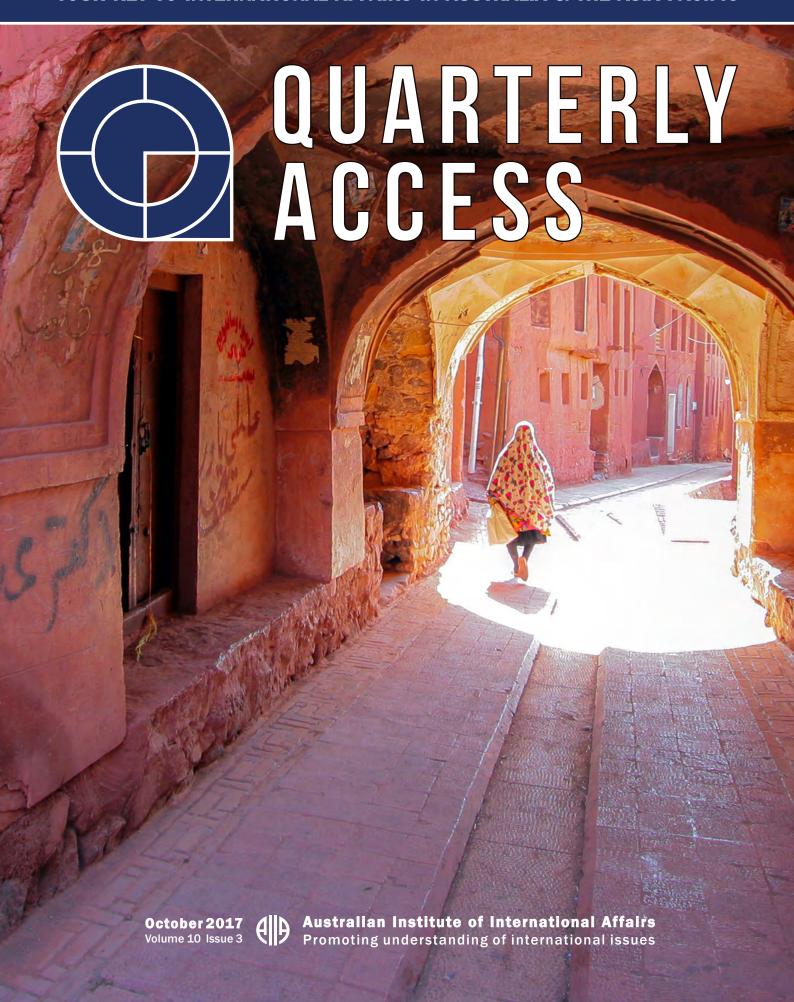
YOUR KEY TO INTERNATIONAL AFFAIRS IN AUSTRALIA & THE ASIA PACIFIC



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Quarterly Access (QA) is the national quarterly publication of the young professionals' networks of the Australian Institute of International Affairs (AIIA).

All the views expressed in this publication are solely those of the individual writers. While providing a forum for discussion and debate on international issues, the AllA does not formulate its own institutional views, and eschews political bias.

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  Rachel Nunn



## From the Editor-in-Chief

Last month was the annual International Careers Conference held by the AllA Victorian branch. I was able to attend and was met by a fresh young cohort of bright-eyed students preparing to start their careers in international relations, development, and all the potential pathways for work in our global community.

The day gave me a renewed sense of hope for the work that so many young people do across the world to address the mounting and ever-complex issues we are individually and collectively facing.

Our generation is inheriting a strained global community. There is a litany of challenges we face: climate change, power shifts in international security with the new era of US foreign policy under Trump and an amplified Kim Jon Un's North Korea, multiple ongoing refugee and humanitarian crises scattered through the globe, Brexit, the German elections, Australia's own internal instability with our senator dual citizenship fiasco, growing income inequality, dying industries, the rise of e-currencies and the effect all this has on all pockets of society - it is an understatement to say we live in a complex time.

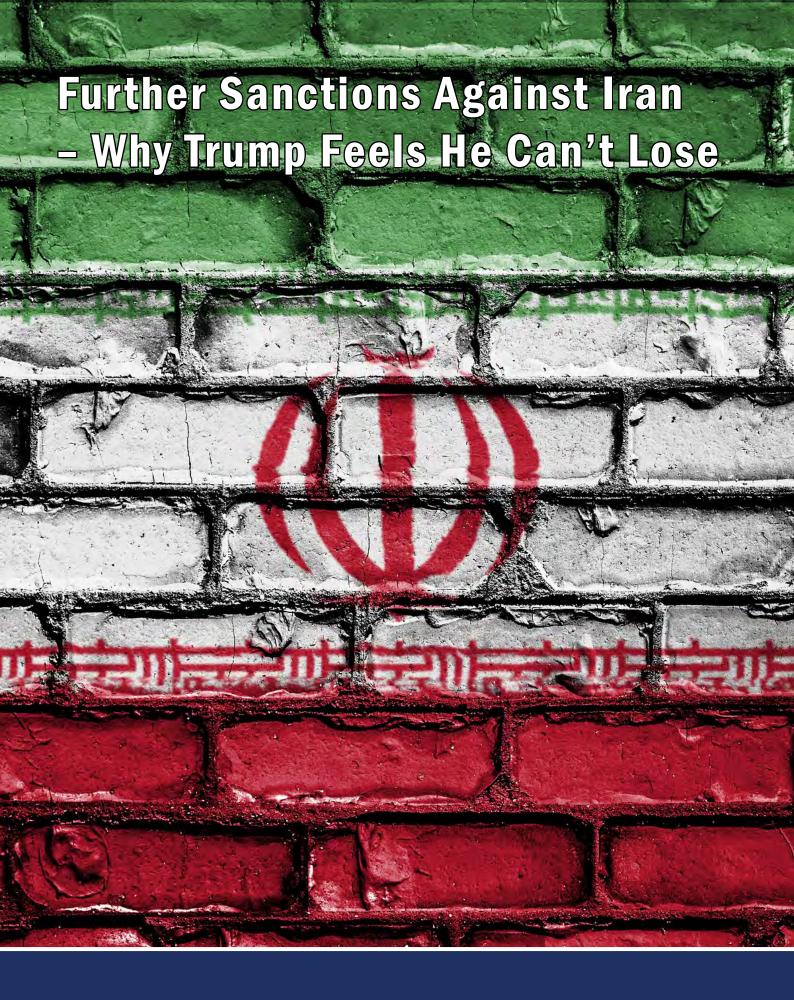
Quarterly Access aims to continue to bring fresh and unique perspectives from young professionals and graduates in Australia; offering their take on the issues that matter most to our generation.

In this issue we have four unique pieces by some exciting up and coming Australians. We have Matthew Mark Wilson's Looking Into Iran and relations with the US under Trump, Kayla Slade's investigation in Australia's continued relationship with coal in the renewable energy movement, Stepjan Bosnjak's exploration of free trade and what this means for Australia, and Rachel Nunn's speech from the International Careers Conference on how she navigated her early career in humanitarian and international work.

We also want to say a big thank you to Felicity Driver, who has been an editor at QA for many years and is now moving onto some new and exciting projects, and wish her all the best.

Happy reading,

Nina Roxburgh, Editor-in-Chief



## Article by Matthew Mark Wilson

International Relations Master's Student with a strong interest in national security, strategy and intelligence.

With the highest seat in the free world comes all the problems your predecessors were unable to resolve.

Rogue states or states that operate on the fringes of the US-led international order or covertly seek to undermine it remain an issue for each new US president.

For countries like Russia, North Korea and Iran, whose regimes stay largely unchallenged, new leadership in the US always provides an opportunity to test the waters and gain more from the international order without subduing to the will and conditions of the United States.

Under President Obama, Russia took advantage of an incoherent Middle East policy to gain a strong foothold in Syria which will endure for generations to come.<sup>1</sup>

Iran also benefited from the new Obama administration, with sanctions lifted in return for their dialling back their nuclear program.

The Trump administration has sought a different approach to Russia and Iran – at times seeking closer ties to Russia and contemplating new ways to punish and sanction a bold and influence-seeking Iran.<sup>2</sup>

For the US and its Sunni allies the concerns are justified – Iran enjoys a large territory of Shia influence that stretches from Iran through Iraq and Syria to its Lebanese proxy Hezbollah and to a lesser extent the Palestinian Hamas.<sup>3</sup>

This influence allows the uninterrupted supply of arms and funding to fuel Shia groups in the region whilst challenging regional adversaries Saudi Arabia and Israel through proxies Hamas, Hezbollah and the Houthis.<sup>4</sup>

Iran continued to carve out its influence while Obama worried about a state-level nuclear deal and then more recently the Gulf Cooperation

 Mcleary, Paul (2017) Putin Signs Long-Term Basing Deal with Syria, <a href="https://www.counterextremism.com/threat/isis">https://www.counterextremism.com/threat/isis</a>, 21 August 2017. Council turned its focus inward, cutting off diplomatic ties with Qatar.<sup>5</sup>

To contain this worrying expansion the Trump administration has announced new sanctions that would target the wing of the Iranian government that directly facilitates outside influence and reach – the Islamic Revolutionary Guard Corps (IRGC).6

Founded in the wake of the Iranian Revolution in 1979 and unlike the Iranian military which protects Iranian borders and maintain internal order, the IRGC protects the Islamic integrity of the state mainly by guarding against outside interference.<sup>7</sup>

Thus has the IRGC become stronger and more powerful than any other system or group within Iran, operating assertively with near autonomy in virtually every aspect of Iranian society, with substantial economical holdings and influence inside the country and without.<sup>8</sup>

The group acts as a facilitator of armed resistance in the region and has provided arms and training for militias directly opposed to the US presence in Iraq, and assisted in propping up the Syrian regime of Bashar al-Assad with proxy forces that include Hezbollah and Afghani armed groups. 9 10 11

The IRGC continues to use proxy forces to undermine the stability of Yemen through the sponsor of Houthi rebels, while continuing to

<sup>2</sup> De Luce, Dan (2017) Trump Mulls Squeezing Iran with Tougher Sanctions, <a href="https://foreignpolicy.com/2017/04/17/trump-mulls-squeezing-iran-with-tougher-sanctions/">https://foreignpolicy.com/2017/04/17/trump-mulls-squeezing-iran-with-tougher-sanctions/</a>, 21 August 2017.

<sup>3</sup> Tamiz, Sam & Johnson, Henry (2015) How Iran Dominates the Middle East, <a href="http://nationalinterest.org/feature/how-iran-dominates-the-middle-east-13136">http://nationalinterest.org/feature/how-iran-dominates-the-middle-east-13136</a>, 23 August 2017.

<sup>4</sup> Dehghan, Saeed Kamali (2012) Iran Supplied Hamas with Fajr-5 Missile Technology, https://www.theguardian.com/world/2012/ nov/21/iran-supplied-hamas-missile-technology, 22 August 2017.

<sup>5</sup> Aljazeera (2017) Saudi Arabia, UAE, Egypt, Bahrain Cut Ties to Qatar, http://www.aljazeera.com/news/2017/06/saudi-arabiauae-egypt-bahrain-cut-ties-qatar-170605031700062.html, 22 August 2017.

<sup>6</sup> Koran, Laura & Gaouette, Nicole (2017) US Announces New Sanctions Targeting Iran, <a href="http://edition.cnn.com/2017/07/18/politics/iran-sanctions-announced/index.html">http://edition.cnn.com/2017/07/18/politics/iran-sanctions-announced/index.html</a>, 23 August 2017.

<sup>7</sup> Counter Extremism Project (2017) Islamic Revolutionary Guard Corps (IRGC), <a href="https://www.counterextremism.com/threat/islamic-revolutionary-guard-corps-irgc">https://www.counterextremism.com/threat/islamic-revolutionary-guard-corps-irgc</a>, 21 August 2017.

<sup>8</sup> Ostovar, Afshon (2017) If Trump Wants a Fight in the Middle East, Iran Will Give Him One, <a href="http://foreignpolicy.com/2017/06/02/if-trump-wants-a-fight-in-the-middle-east-iran-will-give-him-one/amp/">http://foreignpolicy.com/2017/06/02/if-trump-wants-a-fight-in-the-middle-east-iran-will-give-him-one/amp/</a>, 22 August 2017.

<sup>9</sup> Gordan, Michael R & Lehren, Andrew W (2010) Leaked Reports Detail Iran's Aid for Iraqi Militias, <a href="http://www.nytimes.com/2010/10/23/world/middleeast/23iran.html?pagewanted=all&mcubz=1">html?pagewanted=all&mcubz=1</a>, 21 August 2017.

Scarborough, Rowan (2017) Iran's Leader, Military Spend Billions on Terror and Weapons, Iranian Dissidents Report, <a href="http://www.washingtontimes.com/news/2017/mar/8/iranian-leader-military-use-billions-of-dollars-fo/">http://www.washingtontimes.com/news/2017/mar/8/iranian-leader-military-use-billions-of-dollars-fo/</a>, 22 August 2017.

<sup>11</sup> Hashmatallah, Moslih (2016) Iran's 'Foreign Legion' Leans on Afghan Shia in Syria War, http://www.aljazeera.com/ news/2016/01/iran-foreign-legion-leans-afghan-shia-syriawar-160122130355206.html, 20 August 2017.

support Hezbollah and Hamas in its state of open aggression against Israel.  $^{12}$   $^{13}$ 

The strength of the IRGC – essentially a government intelligence and military wing – has gone unchecked for too long. However, rare sanctions are generally reserved for frosty diplomatic lows – this level of alienation directed at Iran could compromise the Joint Comprehensive Plan of Action (JCPOA) nuclear deal that is a somewhat success and legacy from the Obama presidency and achieved with moderate (relatively speaking) Iranian president Hassan Rouhani.<sup>14</sup>

This could, however, be exactly what the Trump administration is looking for; Iran's abandonment

- 12 Abdullah, Khaled (2015) Yemen's Hadi says Saleh Conspired with Iran to Undermine Power Transfer Deal, <a href="http://www.reuters.com/article/us-yemen-security-houthis-idUSKBNOLX1JX20150301">http://www.reuters.com/article/us-yemen-security-houthis-idUSKBNOLX1JX20150301</a>, 23 August 2017.
- 13 Sadjadpour, Karim (2009) Iran Supports Hamas, but Hamas is no Iranian 'Puppet', <a href="https://www.cfr.org/interview/iran-supports-hamas-hamas-no-iranian-puppet">https://www.cfr.org/interview/iran-supports-hamas-hamas-no-iranian-puppet</a>, 23 August 2017.
- 14 Einhorn, R. et al (2016) The Iran Deal, One Year Out: What Brookings Experts are Saying, <a href="https://www.brookings.edu/blog/markaz/2016/07/14/the-iran-deal-one-year-out-what-brookings-experts-are-saying/">https://www.brookings.edu/blog/markaz/2016/07/14/the-iran-deal-one-year-out-what-brookings-experts-are-saying/</a>, 21 August 2017.

of the deal. Trump has been highly critical of JCPOA throughout his election campaign and presidency, believing that too much was given by the US for too little – only recently he reluctantly admitted Iran was complying with the deal whilst announcing the possibility of further sanctions.<sup>15</sup>

By provoking anti-American voices in the Iranian regime with further sanctions Trump may see an end to the nuclear deal he despises so much, whilst placing economic pressure on a powerful group within Iran.

However, the idea of having a second nuclear-armed state (North Korea continues its path to a nuclear intercontinental ballistic missile capable of reaching mainland USA) with hostile intentions to the US, and considering Iran's capacity to undermine US operation in the region (Syria, Iraq and Afghanistan) Trump's egotistical desire to roll back Obama's legacy may have to take a backseat to statesmanship, diplomacy, and common sense.

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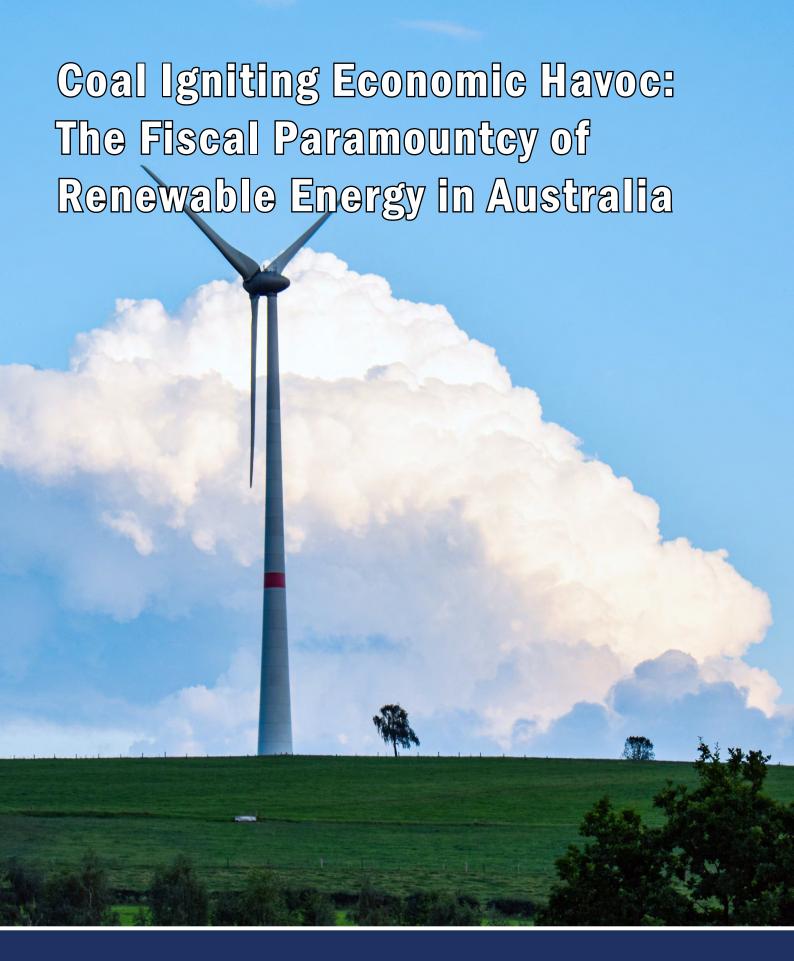
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<sup>15</sup> BBC News (2017) Iran Nuclear: Trump Extends Obama's 'Worst Deal Ever', <a href="http://www.bbc.com/news/world-us-canada-39950827">http://www.bbc.com/news/world-us-canada-39950827</a>. 23 August 2017.



## Article by Kayla Slade

Kayla Slade is a fourth-year student undertaking a Bachelor of Arts and Bachelor of International Studies, she holds a research interest in climate change and political science.

The Australian government presently seems determined to continue the expansion of coal production. In contrast, the international community has been decreasing its coal consumption, and is instead, switching to zero-carbon energy sources. If Australia's policies do not soon reflect this transition from non-renewable to renewable energy for economic gain, the nation may face financial difficulties due to this mismatch. The Australian Government would find itself locked into an unsustainable situation where the state would need to subsidise the coal industry to maintain economic growth.

This paper commences with a discussion on Australia's economic reliance on coal exports to China, India, and Japan, and the movement away from non-renewable energy sources by these three states. Here, we see how the Australian Government is investing in a declining industry. We explore the reasoning behind why the Australian Government continues to subsidise the coal industry, before moving onto the health risks and costs of heat waves that will rise in frequency as a repercussion of global warming, which will burden the Australian economy due to the additional strain on hospital resources. This paper concludes with a discussion on a potential solution for Australia to ensure a prosperous financial future.

## Changing coal consumption practices in China, India, and Japan

Between 1993 and 2002, Australian coal exports rose from 131.8M tonnes to 273.6M tonnes, totalling an increase of 50 per cent. During the same time, domestic consumption experienced only a 20 per cent increase, growing from 53.9M tonnes to 66.3M tonnes. It is evident that the Australian coal industry is dependent on coal exports to maximise financial returns.¹ In fact, exports alone from 2011 to 2012 accrued \$210 billion in revenue to the Australian economy, in contrast to 2006 to 2007, which amounted to \$87 billion. The growing demand for Australian coal has been a result of the increased consumption by countries such as China and

India.<sup>2</sup> These two countries are projected to amount to three-quarters of future coal demand growth in non-OECD countries. Based on this projection, the future energy policies and consumption levels of China and India will undoubtedly influence Australia's coal prospective profitability.<sup>3</sup> However, these projections have failed to take into account the recent actions and events towards decarbonisation occurring in China and India.

Since the 2013 peak, when there was a 3.7 per cent rise in China's coal consumption, the demand for coal has decline. In 2014, the nation's coal consumption fell by 2.9 per cent and in 2015, a further 3.7 per cent. On the other hand, solar capacity increased by 74 per cent in 2015 and wind by 34 per cent.<sup>4</sup> China has now set world records for producing the most solar power capacity per annum.<sup>5</sup> In 2015, per hour, the nation installed enough solar panels to cover one and a half football pitches, and in 2016, that number doubled to three football pitches.<sup>6</sup>

Similarly, India is increasing their consumption of renewable energy, with the prediction that 57 per cent of India's electricity by 2027 will come from clean energy. The declining prices of solar energy have further encouraged the country's shift to renewables. A large coal-power utility tariff currently costs five cents per kilowatt-hour in contrast to a 500-megawatt solar facility, which sits at six cents. This price decrease means that over \$11 million of existing coal power plants are no longer economically viable due to the prices

Cram, Ken (2003) Australian Black Coal Mining Operations, http://www.coalservices.com.au/MessageForceWebsite/ Sites/320/Files/AustralianBlackCoalOperations.pdf, accessed 14 July 2017, p.2.

<sup>2</sup> Lucas, Adam (2016) "Stranded assets, externalities and carbon risk in the Australian coal industry: The case for contraction in a carbon constrained world" in Energy Research & Social Science, Vol. 11, 53, p.53.

<sup>3</sup> The Centre for International Economics (2014) The contribution of mining to the New South Wales economy. The Centre for International Economics: Canberra & Sydney, p.48.

<sup>4</sup> Yeo, Sophie (2016) "Analysis: Decline in China's coal consumption accelerates" in Carbon Brief, <a href="https://www.carbonbrief.org/analysis-decline-in-chinas-coal-consumption-accelerates">https://www.carbonbrief.org/analysis-decline-in-chinas-coal-consumption-accelerates</a>, accessed 25 July 2017.

Myllyvirta, Lauri (2017), "China kept on smashing renewables records in 2016" in Energy Desk: Greenpeace, <a href="http://energydesk.greenpeace.org/2017/01/06/london-breaks-annual-air-pollution-limit-five-days/">http://energydesk.greenpeace.org/2017/01/06/london-breaks-annual-air-pollution-limit-five-days/</a>, accessed 25 July 2017.

<sup>6</sup> Myllyvirta, above n 5.

<sup>7</sup> Safi, Michael (2016) "India plans nearly 60% of electricity capacity from non-fossil fuels by 2027" in The Guardian, <a href="https://www.theguardian.com/world/2016/dec/21/india-renewable-energy-paris-climate-summit-target">https://www.theguardian.com/world/2016/dec/21/india-renewable-energy-paris-climate-summit-target</a>, accessed 25 July 2017.

of importing coal,<sup>8</sup> which costs the nation \$62/ ton imported from Newcastle, Australia.<sup>9</sup> It seems then that the two nations on which Australia is most reliant on for unceasing fiscal growth through coal exports are rapidly altering their energy supply to renewable sources.

Profits from Australian coal exports have also been reliant on Japan's consumption levels. In recent years, Japan has become a major source of growth for the Australian coal industry, with 49 per cent of all Australian exports being purchased by Japan.<sup>10</sup> During the 2011 Fukushima disaster, which occurred when a major earthquake and tsunami hit Eastern Japan, backup power systems failed causing nuclear reactors to cool. This led to hydrogen explosions, the releasing of radioactivity, and the melting of fuel.<sup>11</sup> This incident resulted in the closure of most of the nation's nuclear reactors, which signified the loss of more than a quarter of all the country's generated energy. 12 As a result, Australian coal quickly became Japan's main energy source, 13 amounting to a total of 85 per cent of the nation's energy supply and costing the country \$40 billion in annual expenses.14

Japan's consumption of Australian coal may seem encouraging for Australia's continued fiscal prosperity through the exportation of coal, but the sheer costs of importing coal - which cost the government \$61.60 per megaton for coal from Newcastle, Australia in April 2016 to March

8 Johnston, Ian (2017) "India cancels plans for huge coal power stations as solar energy prices hit record lows" in Independent, http://www.independent.co.uk/environment/india-solar-powerelectricity-cancels-coal-fired-power-stations-record-low-a7751916. html, accessed 15 August 2017. 2017,<sup>15</sup> and from October 2017 onwards has leaped to \$100 per megaton<sup>16</sup> - may enforce change in Japan. Following the Fukushima disaster, which raised the nation's reliance on coal imports, electricity prices have increased by 30 per cent for industries from four cents to six Australian cents per kilowatt-hour.<sup>17</sup> Due to these costs, the government eagerly wants to revamp its nuclear energy supply, hoping that it will make up 20 to 22 per cent of Japan's energy needs by 2030.<sup>18</sup>

Consequently, Japan is beginning to install more solar panels. On 1 July 2012, a feed-in tariff (FIT) was introduced in Japan to promote the expansion of renewable energy.<sup>19</sup> The updated version in August 2012 requires that power should be derived as much as possible from renewables to expand the zero-carbon energy sector.<sup>20</sup> Through the FIT, within two years after the Fukushima disaster, Japan built 10.5GW of renewable photovoltaic (PV) energy and is now the second fastest installer of PV in the world after China.21 If we are to consider the declining tariff price of solar energy that occurred in India 2017,<sup>22</sup> it is probable that Japan will be encouraged to accelerate their uptake of renewables to ensure electricity bills decrease over time.

<sup>9</sup> Upadhyay, Anand (2014) "India Shocks Australia, To Stop Coal Imports in 2-3 Year" in Clean Technica, <a href="https://cleantechnica.com/2014/11/14/india-shocks-australia-stop-coal-imports-three-years/">https://cleantechnica.com/2014/11/14/india-shocks-australia-stop-coal-imports-three-years/</a>, accessed 23 September 2017.

<sup>10</sup> Lucas, op.cit., p.55.

<sup>11</sup> Holt, Mark, Campbell, Richard, & Nikitin, Mary (2012) Fukushima nuclear disaster. http://www.mapw.org.au/files/downloads/ FAS%20report%20on%20Fukushima.pdf, accessed 22 August 2017.

<sup>12</sup> Slusarska, Danuta & Orlando, Fabio (2016) "Japan's energy policy shifts five years after Fukushima" in Friends of Europe, <a href="http://www.friendsofeurope.org/greener-europe/japans-energy-policy-shifts-five-years-after-fukushima/">http://www.friendsofeurope.org/greener-europe/japans-energy-policy-shifts-five-years-after-fukushima/</a>, accessed 25 July 2017.

<sup>13</sup> Tsukimori, Osamu & Sheldrick, Aaron (2016) "As Japan's oil, gas, power use stalls, coal imports hit new record" in Reuters, <a href="http://uk.reuters.com/article/uk-japan-energy-demand-idUKKCNOV30N6">http://uk.reuters.com/article/uk-japan-energy-demand-idUKKCNOV30N6</a>, accessed 25 July 2017.

<sup>14</sup> Slusarska & Orlando, above n 12.

<sup>15</sup> Cooper, Mike (2016) "Japan fiscal 2016-17 thermal coal price settle lower at \$61.60/mt FOB Newcastle: Sources" in S&P Global Platts, https://www.platts.com/latest-news/coal/perth/ japan-fiscal-2016-17-thermal-coal-price-settles-27471294, accessed 23 September 2017.

<sup>16</sup> Cooper, Mike (2017) "Australian thermal coal Oct 2017-Sept 2018 term offer to japan buyers opens at \$100/mt FOB" in S&P Global Platts, <a href="https://www.platts.com/latest-news/coal/perth/australian-thermal-coal-oct-2017-sep-2018-term-26808329?ito=796&itq=7bb18696-a455-46b5-8bd9-7f387-1815780&itx%5bidio%5d=1101259</a>, accessed 23 September 2017

<sup>17</sup> World Nuclear News (2015) "Japanese firms struggle with electricity rates" in World Nuclear News, <a href="http://www.world-nuclear-news.org/NP-Japanese-firms-struggle-with-electricity-rates-1602155.html">http://www.world-nuclear-news.org/NP-Japanese-firms-struggle-with-electricity-rates-1602155.html</a>, accessed 23 September 2017.

<sup>18</sup> Slusarska & Orlando, above n 12.

<sup>19</sup> Ogiomoto, Kazuhiko, Kaizuka, Izumi, Yuzuru, Ueda & Oozeki, Takashi (2013) "A Good Fit: Japan's Solar Power Program and Prospects for the New Power System" in IEEE Power and Energy Magazine, Vol. 11, No. 2, 65, p.65.

<sup>20</sup> Ogiomoto, Kaizuka, Yuzuru, Oozeki, above n 19, p.67.

<sup>21</sup> Hahn, Edgar (2014) The Japanese Solar PV Market and Industry: Business Opportunities for European Companies. <a href="http://www.eu-japan.eu/sites/default/files/imce/minerva/pvinjapan\_report\_minerva\_fellow.pdf">http://www.eu-japan.eu/sites/default/files/imce/minerva/pvinjapan\_report\_minerva\_fellow.pdf</a>, accessed 22 August 2017.

<sup>22</sup> Johnston, above n 8.

## Australia's unceasing coal production and its risks

Even with China, India, and potentially Japan moving away from coal consumption, Australia has maintained its growth of coal production. Black coal production between 1960 and 1990, rose 8 per cent yearly, and between 1990 and 2010, by 4.5 per cent annually. Growth is only expected to continue, sitting at around 1 to 2 per cent per annum for several decades to come.<sup>23</sup> However, this growth temporarily stalled, declining from 12,288 petajoules in the 2014-2015 fiscal year to 12,157 petajoules in 2015-2016, a 1 per cent reduction which occurred due to the decline of some mines and the complete closure of others in New South Wales and Queensland because of rock falls and bad weather.<sup>24</sup>

This constant growth of coal production in Australia reflects the nation's climate change policies. Current Australian climate policies fall under the concept of weak ecological modernisation (EM).<sup>25</sup> EM promotes "green capitalism," which refers to the process of making the market productive and sustainable by investing in technologies that minimise the human footprint. There are two strands of EM. Weak EM involves managing the problem by only making alterations to existing technologies that damage the environment by making them "clean." For example, Australia promotes carbon capture and storage as a solution to decrease CO2 being expelled into the atmosphere. Meanwhile, strong EM attempts to address the core of the problem such as by reducing coal consumption and increasing renewable energy use. Weak EM garners more interest out of the two; it is seen as resulting in the least disruption to everyday life. It only calls for relatively minor alterations that 'green' the economy, not for drastically changing consumers' consumption levels and reconstructing the current technological foundations of industries.<sup>26</sup>

The current popularity of weak EM by policy officials in Australia carries risks. Clean coal technologies can uphold the coal industry,<sup>27</sup> which in turn, can prevent investments into renewable energy. This issue reflects the concept known as carbon lock-in. Coined by Gregory Unruh,<sup>28</sup> carbon lock-in refers to how technologies that run on fossil fuels have become embedded into our society through government policies and subsidies. This process leads to the rise of the Techno-Institutional Complex (TIC), as technologies such as electricity generation and transportation become interdependent, and therefore create positive feedbacks.<sup>29</sup> In other words, a cycle is formed, where industry A feeds the production in industry B, which in turn leads to more of A.30 Put simply, due to carbon lockin, if we attempt to move away from fossil fuels we would impact all our existing technological infrastructures.31 Therefore, if we decrease the use of coal, we also face a decline in production of other products and services.32

Because of carbon lock-in, even with Australia's neighbouring nations switching to renewables, the Australian Government chooses to subsidise the coal industry to maintain economic growth. It is estimated that the Australian Government subsidises coal production by \$1.6 billion per annum.<sup>33</sup> However, if China's coal demand continues to fall as extrapolated, Australia may lose approximately \$12 billion worth of thermal production.<sup>34</sup>

## The ramifications of a business-as-usual trajectory

If Australia continues to produce coal on a business-as-usual basis, the nation would be forced to cope with money loss from decreased coal demand while Australia's neighbours continue to expand their renewable energy sectors. Australia would simultaneously face a

<sup>23</sup> Lucas, above n 2, p.54-55.

<sup>24</sup> Department of Environment and Energy (2017) Australian Energy Update 2017. Australian Government: Canberra, p.22.

<sup>25</sup> Christoff, Peter (2013) "Climate Discourse Complexes, National Climate Regimes and Australian Climate Policy" in The Politics of Climate Change in Australia, Vol. 59, No. 3, 349, p.367.

<sup>26</sup> Curran, Giorel (2009) "Ecological modernisation and climate change in Australia" in Environmental Politics, Vol. 18, No. 2, 201, p.203-204.

<sup>27</sup> Curran, above n 26, p.206.

<sup>28</sup> Unruh, Gregory (2000) "Understanding carbon lock-in" in Energy Policy, Vol. 28, No. 12, 817.

<sup>29</sup> Unruh. above n 28. p.819.

<sup>30</sup> Keesing, Roger (1935) Cultural anthropology: a contemporary prospective. Holt, Rinehard & Winston: Sydney, p.149.

<sup>31</sup> Unruh, Gregory (2002) "Escaping carbon lock-in" in Energy Policy, Vol. 30, No. 2, 317, p. 317.

<sup>32</sup> Unruh, above n 28, p.819.

<sup>33</sup> Lucas, above n 2, p.59.

<sup>34</sup> Lucas, above n 2, p.15.

declining economy while dealing with the costly issue of global warming because of exported and domestic coal emissions. As a nation, Australia alone represents 1.5 per cent of the total worldwide carbon footprint. Add our exports onto the total, and we reach 3.7 per cent. In other words, Australia's total cumulative CO2 emissions, ranks as the sixth largest emitter, sitting only behind China, the United States, Russia, India, and Indonesia.35 These emissions give rise to droughts, coastal flooding, and heat waves, all of which have consequences for public health and economic growth.<sup>36</sup> Therefore, Australia is currently promoting what economists call market failure - where the market fails to oversee the costs of an action to others who do not partake or receive benefits from an activity.37 In other words, environmental market failure is external, as it disproportionately impacts people who are not emitting large sums of greenhouse gases too gain profit.38 Australia often overlooks the social costs of burning CO2.39

Take, for example, the fact that projected heat waves - days that reach over 35 degrees-Celsius - would rise if we continue emitting CO2 on a business-as-usual trajectory. Melbourne annually averages nine heat waves, but by 2100, this number will spike to 27. For Sydney, 3.3 days of over 35-degree heat will rise to 14, and Perth, from 27 to 72.<sup>40</sup> Exposure to heat waves can cause cramping, heart attacks, and strokes. The increased demand for medical aid may be disastrous, as hospitals are not equipped to support these events, such as in 2004 when heatwaves caused power outages, which affected some hospitals. This issue can be exacerbated if bush fires, asthma, and waterborne and vector

diseases, which all increase due to heat waves, place further strain on the nation's hospitals.<sup>41</sup>

This example is only a small sample of what Australians could expect in the upcoming future. Australians should also expect the continued destruction of the Great Barrier Reef due to global warming; something we are already seeing signs of. <sup>42</sup> As a result, tourism will be negatively impacted, amounting to a \$1 billion loss for the Australian economy.<sup>43</sup>

## Carving a pathway to a zero-carbon based economy

It is therefore economically and socially paramount for us to challenge the Australian Government's policies on the mitigation of climate change to ensure economic stability and to maintain the health of all Australians. Thus far, the leading solution in Australia against climate change was the 2010 Labour Government Emissions Trading Scheme (ETS). ETS refers to a process where the government issues tradeable permits. These permits limit companies to a certain volume of greenhouse-gas emissions.<sup>44</sup>

Unfortunately, the Labour Government pushed for an Australian ETS without explaining the potential social costs of global warming for the country in the future. Emerging as a result of the Australian ETS, the carbon tax, though only directed at large companies such as electricity providers that rely on carbon-intensive coal to produce cheap energy, ultimately impacted households and small businesses. Goods and services that were by-products of the then taxed coal all increased. Ultimately, public support

<sup>35</sup> Christoff, above n 25, p.351-352.

<sup>36</sup> Cleetus, Rachel (2014), "The Social Cost of Carbon: Counting the Costs of Climate Change and the Benefits of Cutting Carbon Pollution" in Union of Concerned Scientists: Science for a healthy Planet and safer world, <a href="http://blog.ucsusa.org/rachel-cleetus/social-cost-of-carbon-costs-of-climate-change-benefits-cutting-carbon-pollution-429">http://blog.ucsusa.org/rachel-cleetus/social-cost-of-carbon-costs-of-climate-change-benefits-cutting-carbon-pollution-429</a>, accessed 3 July 2017.

<sup>37</sup> Garnaut, Ross (2008) Garnaut, Ross (2008) The Garnaut climate change review: final report. Cambridge University Press: Port Melbourne, p.299.

<sup>38</sup> Benjamin, Allison (2007) "Stern: Climate change a 'market failure'" in The Guardian, <a href="https://www.theguardian.com/environment/2007/nov/29/climatechange.carbonemissions">https://www.theguardian.com/environment/2007/nov/29/climatechange.carbonemissions</a>, accessed 27 September 2017.

<sup>39</sup> Cleetus, above n 36.

<sup>40</sup> Garnaut, above n 37, p.117.

<sup>41</sup> Loosemore, Martin & Mirti Chand, Anumitra (2013) "Hospitals feel the heat too from extreme weather and its health impacts" in the conversation, <a href="https://theconversation.com/hospitals-feel-the-heat-too-from-extreme-weather-and-its-health-impacts-70997">https://theconversation.com/hospitals-feel-the-heat-too-from-extreme-weather-and-its-health-impacts-70997</a>, accessed 22 August 2017.

<sup>42</sup> Garnaut, above n 37, p.125.

<sup>43</sup> Willacy, Mark (2016) "Great Barrier Reef coral bleaching could cost \$1b in lost tourism, research suggests" in ABC News, http://www.abc.net.au/news/2016-06-21/reef-bleaching-could-cost-billion-in-lost-tourism/7526166, accessed 27 September 2017.

<sup>44</sup> Garnaut, above n 37, p.304-309.

<sup>45</sup> Spratt, David (2014) "As Tony Abbott launches all-out war on climate action, what's the plan?" in Climate Code Red, <a href="http://www.climatecodered.org/2014/01/as-tony-abbott-launches-all-out-war-on.html">http://www.climatecodered.org/2014/01/as-tony-abbott-launches-all-out-war-on.html</a>, accessed 3 July 2017.

<sup>46</sup> Muthuswamy, Gujji (2012) "Plain speaking on the carbon tax and electricity prices" in The Conversation, <a href="https://theconversation.com/plain-speaking-on-the-carbon-tax-and-electricity-prices-8148">https://theconversation.com/plain-speaking-on-the-carbon-tax-and-electricity-prices-8148</a>, accessed 27 September 2017.

declined. Whilst 68 per cent of people viewed climate change as a highly relevant issue in 2006, this number dropped to just 40 per cent in 2013.47 Therefore, educating Australians on the social costs of maintaining coal production to feed domestic and overseas consumption may be able to promote public support for the mitigation of climate change, and hopefully deter Australia from carbon lock-in.48 Citizens must be empowered with the knowledge of the social costs, and the skills and confidence to push for change towards becoming a zero-carbon nation.49 Citizens can then use this knowledge to demand the reimplementation of the Australian ETS that was repealed in 2014.50 The challenge to change the Government's stance on climate change is not easy. However, only with a large national backing that demands an ETS would the Australian Government be likely to finally act.51

With an ETS, Australia has a chance of breaking the carbon lock-in. Currently, we are stuck in a "technological trajectory," meaning that as fossil-fuel based technologies are known to reap substantial financial returns, research money continuously feeds into coal-based energy sources, so the existing product is improved. Furthermore, the Australian Government does not want to decarbonise even with the decline in consumption by main exporting countries due to the short-sighted benefits of "job creation and for the signals it provides to potential investors in the region." 52 Meanwhile, alternative renewable energy sources, which have yet to prove their potential to increase financial gains, symbolise a gamble for potential funders, and therefore have little chance to obtain funds and to become more efficient and profitable.53 However, the ETS would help ensure that coal-based production would

experience increased production prices, and thus, spur on research in these alternative sectors as investors seek for more profitable avenues.<sup>54</sup>

As early research in renewable energy would help discover modes of producing alternative energies at increasingly cheaper prices, research would help boost confidence in the country, and targets and trajectories to decrease emissions would become more ambitious.55 Research would help prevent Australia from being forced to make a fast transition that would interrupt social reproduction. For example, 25 per cent of Victoria's energy supply was lost with the closing of the Hazelwood power station early 2017. The plant was aged and would require \$400 million in repairs, which the owner deemed unviable.<sup>56</sup> This sudden loss of energy means that during the summer, the increased demand of energy will not match the smaller supply, leading to power shortages that are expected to continue for four years.57 This supply issue could potentially have been mitigated had greater research into renewables been encouraged.

Furthermore, early research can ensure that the nation is fully equipped to adapt to climate change, such as by finding infrastructure designs that are more efficient in keeping occupants cool to decrease the effects of heat waves. <sup>58</sup> Additionally, the exportation of newly developed renewable technologies would be possible. Australia has the potential to contribute to the electricity generation market, <sup>59</sup> as Australia has an abundant source of solar and geothermal energy. <sup>60</sup> Additionally, hydrogen exports to power vehicles is now a possibility. Liquid hydrogen is difficult to transport over long distances as

<sup>47</sup> Spratt, above n 45.

<sup>48</sup> Spratt, above n 45.

<sup>49</sup> Power, Collin (2014) The Power of Education: Education for All, Development, Globalisation and UNESCO. Springer: Australia, p.222.

<sup>50</sup> Chan, Ken (2015) "Don't forget the weather in the axing of the carbon tax in Australia" in Carbon Management, Vol. 6, No. 1-2, 63, p.64.

<sup>51</sup> Power, Collin, above n 50, p.222.

<sup>52</sup> Hepburn, Samantha (2017) "Adani's Australian mine green light can't change economics of coal" in Climate Home, <a href="http://www.climatechangenews.com/2017/06/07/adani-australian-coal-mine-approval-not-seems/">http://www.climatechangenews.com/2017/06/07/adani-australian-coal-mine-approval-not-seems/</a>, accessed 26 September 2017.

<sup>53</sup> Unruh, above n 28., p.821-823.

<sup>54</sup> Garnaut, above n 37, p.425.

<sup>55</sup> Garnaut, above n 37, p.306.

<sup>56</sup> Langmaid, Aaron (2017) "Hazelwood closure: power station shuts and jobs go" in Herald Sun, <a href="https://www.heraldsun.com.au/news/victoria/why-hazelwood-is-shutting-down-what-does-this-mean-for-workers/news-story/a5848ba904b515fa3e43de4eb141fa7a">https://www.heraldsun.com.au/news/victoria/why-hazelwood-is-shutting-down-what-does-this-mean-for-workers/news-story/a5848ba904b515fa3e43de4eb141fa7a</a>, accessed 15 September 2017.

<sup>57</sup> Harris, Rob (2017) "Energy market operator warns Victorian to prepare for summer blackouts" in Herald Sun, <a href="https://www.heraldsun.com.au/news/victoria/energy-market-operator-warns-of-summer-blackouts-on-the-rise-in-victoria/news-story/5d7611dede8bc3a6caeb66e9664883ce, accessed 15 September 2017.</a>

<sup>58</sup> Garnaut, above n 37, p.423.

<sup>59</sup> Garnaut, above n 37, p.423.

<sup>60</sup> Syed, Arif (2014) Australian Energy Projections to 2049-50. Commonwealth of Australia: Canberra, p.12.

it has a low density, but as discovered by the Commonwealth Scientific and Industrial Research Organisation (CSIRO), using ammonia can form a higher hydrogen density, making the substance transportable. These sources would help secure Australia's future economy while the nation makes the switch from fossil fuel-based energy to renewables.

#### 61 Turner, Rebecca (2017) "Renewable hydrogen could fuel Australia's next export boom after CSIRO breakthrough" in ABC News, http://www.abc.net.au/news/2017-05-11/ hydrogen-breakthrough-could-fuel-renewable-energy-exportboom/8518916, accessed 15 September 2017.

#### Conclusion

Through examining the Australian Government's support of the coal industry in contrast to the renewable energy movement in China, India, and Japan, it is evident that Australia must begin to alter its dominant power source. As noted, the threat that global warming brings, such as heat waves, would be costly to the health of Australians and the economy at a time when we would be vulnerable due to economic losses from declining demand for Australian coal. An ETS, therefore, holds the potential to smooth Australia's transition over to renewables in manageable increments. Furthermore, if Australia is to secure continual financial growth, research must now expand further into the renewable sector to explore prospective renewable energy for exportation as well as domestic use.

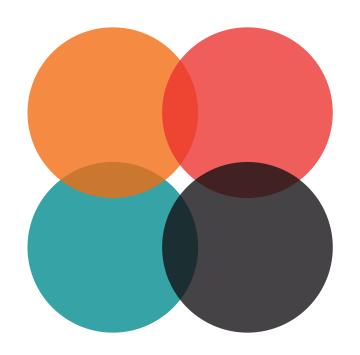
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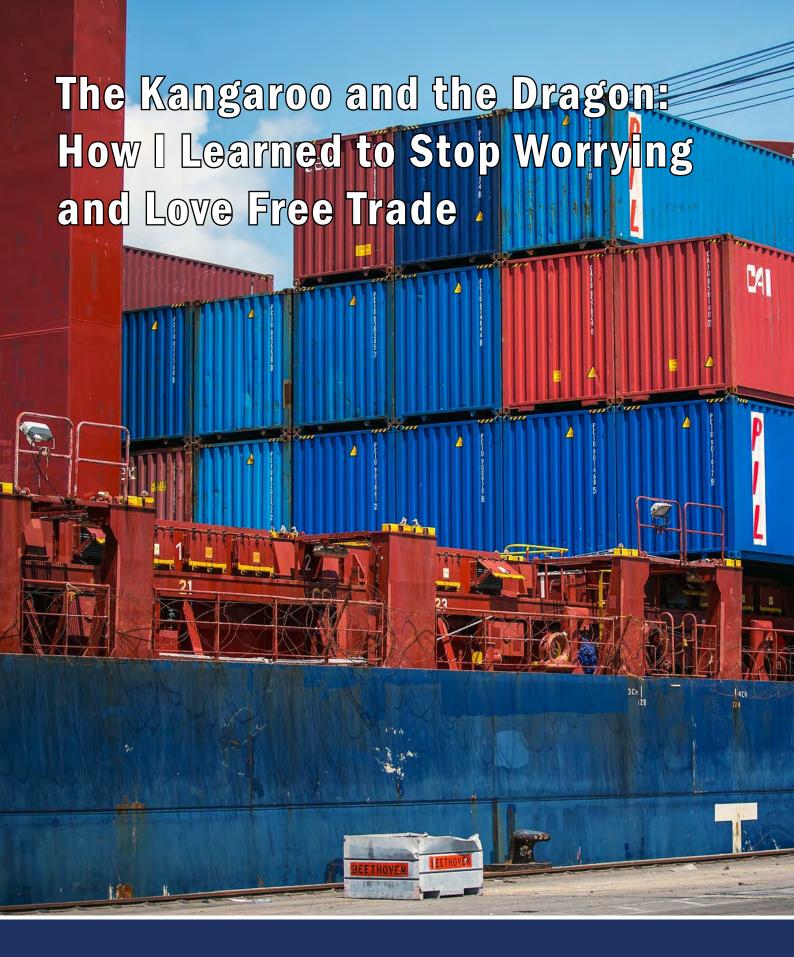
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Australian Institute of International Affairs Victoria



## Article by Stepjan Bosnjak

Stjepan Bosnjak has just finished his Master of Arts (Research) at Victoria University. His thesis The Man of Steel and The Dragon: Australia's relationship with China during the Howard Era explores John Howard's leadership in bringing the Sino-Australian relationship to where it is today.

## To free trade or not to free trade? That is the question

In 1901, the two main political parties contesting the federal election for the inaugural Parliament of Australia were the Protectionist Party and the Free Trade Party. Although these parties no longer exist, the two competing economic doctrines they represented continue to be a point of contention in Australian politics. On one side are free trade supporters - those arguing for unrestricted and unlimited trade between countries. On the other side, protectionists, those arguing for restricted international trade to protect the nation's internal economy and industry. Since at least the 1980s, Australia has embraced free trade and globalisation. As a result, our nation has achieved unprecedented economic growth, having the longest economic expansion on record — 103 consecutive quarters of growth without recession.1 Yet despite this, Australia, as elsewhere in the West, has seen the emergence of increasingly popular political figures and parties demanding protectionism.2 Australia's economy thrives on free trade, and much of the nation's prosperity can be attributed to our strong trade partnership with the People's Republic of China.3 For Australia to succumb to populist protectionism and give up free trade with China would be, put simply, economic suicide.

#### Australia: A mate to all

About one quarter of the world's nations are at risk of war or conflict, either internally or with neighbours.<sup>4</sup> Despite our long-standing fears of invasion, Australia is not one of these nations. We have no national enemy and no active territorial disputes. Distant from centres of conflict, we enjoy the highest living standards in the world. We

1 Taylor, David, 'Australian economy achieves world record economic run', ABC, 7 June 2017, <a href="http://www.abc.net.au/news/2017-06-07/australian-economy-achieves-world-record-economic/8597358">http://www.abc.net.au/news/2017-06-07/australian-economy-achieves-world-record-economic/8597358</a> (accessed 27 Aug. 2017) have more energy than we need,<sup>5</sup> and more food than we can eat.<sup>6</sup> A map of the world drawn not according to geographical distance but by intensity of global connections would have Australia placed in the central core twenty nations.<sup>7</sup> In 2006, US consultancy firm AT Kearny listed Australia as the 8th most interconnected nation in the world.<sup>8</sup> To borrow terminology utilised by the Gillard government, Australia has transformed the 'tyranny of distance' into 'prospects of proximity'.<sup>9</sup> It is due to free trade that these links have been formed, and Australia's prosperity is maintained.

Being interconnected is essential for several reasons. First, historically we have not had enough domestically sourced capital to pay for our development. Second, we depend on other nations for its people. Without post World War II immigration, Australia's population would sit at 12,000,000, as opposed to its current population of 24,632,995. In 2005, net overseas migration overtook natural increase as the main component of population growth. Third, Australia relies on the outside world for trade. We import products that are made better and cheaper elsewhere. To pay for it, we export our own goods and

- 5 Between 2014-15 Australia's energy consumption was around 5,920 petajoules (PJ). In the same period it exported 13,087.6 PJ. See Department of Industry, Innovation and Science, (2016), Australian Energy Update, Commonwealth of Australia, p2, p21, https://www.industry.gov.au/Office-of-the-Chief-Economist/ Publications/Documents/aes/2016-australian-energy-statistics. pdf (accessed 24 Sept. 2017)
- 6 Australia exports more than half of its agricultural produce, while "more than 90 per cent of fresh fruit and vegetables, meat, milk and eggs sold in supermarkets are domestically produced." See Department of Agriculture, (2016), Food, Commonwealth of Australia, <a href="http://www.agriculture.gov.au/ag-farm-food/food">http://www.agriculture.gov.au/ag-farm-food/food</a> (accessed 24 Sept. 2017)
- 7 DFAT, (2016), Which countries invest in Australia?, Commonwealth of Australia, <a href="http://dfat.gov.au/trade/topics/investment/Pages/which-countries-invest-in-australia.aspx">http://dfat.gov.au/trade/topics/investment/Pages/which-countries-invest-in-australia.aspx</a> (accessed 24 Sept. 2017)
- 8 Hartcher, The Adolescent Country, p35
- 9 The 'tyranny of distance being replaced by the prospects of proximity' was used several times in the Gillard Government Australia in the Asian Century White Paper, and associated promotional media. See DFAT, (2012), Australia in the Asian Century, Commonwealth of Australia, <a href="http://www.defence.gov.au/whitepaper/2013/docs/australia\_in\_the\_asian\_century\_white-paper.pdf">http://www.defence.gov.au/whitepaper/2013/docs/australia\_in\_the\_asian\_century\_white-paper.pdf</a> (accessed 27 Aug. 2017)
- 10 DFAT, (2017), How trade benefits Australia, Commonwealth of Australia, <a href="http://dfat.gov.au/trade/resources/Documents/benefits-of-trade-and-investment.pdf">http://dfat.gov.au/trade/resources/Documents/benefits-of-trade-and-investment.pdf</a> (accessed 25 Sept. 2017)
- 11 ABS, Population Clock, Commonwealth of Australia, 27 Aug. 2017 http://www.abs.gov.au/ausstats/abs@. nsf/0/1647509ef7e25faaca2568a900154b63?OpenDocument (accessed 27 Aug. 2017)
- 12 Hartcher, The Adolescent Country, p37

<sup>2</sup> In America, Donald Trump was elected on a protectionist platform. Similarly, in England, citizens voted to leave the EU trading block, while in Australia, political parties such as One Nation are becoming an electoral force.

<sup>3</sup> Two-way trade in 2015/16 was valued at AU\$150 billion. See DFAT, Australia's trade in goods and services by top 15 partners 2016, Commonwealth of Australia, 2017 http://dfat.gov.au/about-us/publications/trade-investment/ australias-trade-in-goods-and-services/Pages/australias-trade-in-goods-and-services-2016.aspx (accessed 27 Aug. 2017)

<sup>4</sup> Hartcher, Peter, (2014), The Adolescent Country, Lowy Institute, Sydney, p31

services.<sup>13</sup> One in five Australian jobs depends on international trade, and, according to SMH political editor Peter Hartcher, those jobs pay better than average too.<sup>14</sup>

#### **The China factor**

The last major Communist power on earth plays a pivotal role in the global economy. <sup>15</sup> The sheer size of China's trade demands has affected world markets in a way never seen before. 'Made in China' has become synonymous with a host of mass-produced consumer products exported throughout the world. China provides two-thirds of the world's photocopiers, shoes, toys and microwave ovens; half its DVD players, digital cameras and textiles; one-third of its DVD-ROM drives and desktop computers; and a quarter of its mobiles, television sets, PDAs and car stereos," writes Prestowitz. <sup>16</sup>

China's advantage lies in low end manufacturing where it is able to exploit its huge abundance of human resources, meaning that globally, the price of manufactured goods have fallen considerably. The combination of lower prices and cheaper parts, in such industries as the automotive sector, directly reduces household expenditure and assists some local manufacturing in remaining competitive by reducing unit costs, while hindering others. 18

Since 1970, 400 million Chinese have moved to cities, with another 200 million expected to do the same in the next two decades. <sup>19</sup> This means China

- 13 DFAT, How trade benefits Australia
- 14 Hartcher, The Adolescent Country, p40
- According to The Chinese Communist Party Constitution, The Party is committed to Communism, and still adheres Marxism-Leninism. See Eighteenth National Congress of the Communist Party of China, (2012) Constitution of the Communist Party of China, People's Republic of China, <a href="http://english.cpc.people.com.cn/206972/206981/8188065.html">http://english.cpc.people.com.cn/206972/206981/8188065.html</a> (accessed 25 Sept. 2017)
- 16 Prestowitz, Clyde, (2006), Three Billion New Capitalists: The Great Shift of Wealth and Power to the East, Basic Books, New York, p74
- 17 Lee, Chunli, (2004) Strategic Alliances of Chinese, Japanese and US firms in the Chinese Manufacturing Industry: The Impact of 'China Prices' and Integrated Localization, Fairbank Centre of East Asia Research, Harvard University
- 18 See Allen Consulting Group, (2009), The Benefits to Australian Households of Trade with China, Australia China Business Council, <a href="http://acbc.com.au/admin/images/uploads/Copy3media\_nat\_hhrep\_2012.pdf">http://acbc.com.au/admin/images/uploads/Copy3media\_nat\_hhrep\_2012.pdf</a> (accessed 27 Aug. 2017)
- 19 Gillard, Julia, (2011), Speech to the AsiaLink and Asia Society Lunch, Melbourne, <a href="http://pmtranscripts.pmc.gov.au/release/transcript-18161">http://pmtranscripts.pmc.gov.au/release/transcript-18161</a> (accessed 27 Aug. 2017)

has to rapidly develop and urbanise, and for this they require commodities. Its growth has been extremely resource intensive with:

A typical Chinese apartment need[ing] six tonnes of steel. A kilometre of railway needs about seven and a half thousand tonnes. Each tonne of steel needs more than one and a half tonnes of iron ore and more than half a tonne of coking coal.<sup>20</sup>

This is a problem for a nation poorly endowed in natural resources. For example, China has "only 8% of the world's cultivated land, and yet must sustain 22% of the world's population"21 Over the last 40 years, half of China's forests have been destroyed, and it has been forced to import 60% of its oil.<sup>22</sup> China depends on the world for the resources needed to fuel its growth and expansion; the rest of the world relies on China to fuel their economic success - including Australia. China "is the world's largest buyer of copper, second biggest buyer of alumina. It absorbs around a third of the global supply of coal, fuel and cotton, and half of its cement,"23 Australia has doubly benefited from the rise of China, with the Chinese purchasing Australian iron ore, coal, alumina, diamonds, lead, zinc, gold, copper and nickel, helping maintain Australia's prosperity. To put China's importance to Australia's economic health into perspective in 2005 "...a ship load of iron ore was worth about the same as about 2,200 flat screen television sets. Today (2010) it is worth about 22,000 flat-screen TV sets - partly due to TV prices falling but more due to the price of iron ore rising by a factor of six."24

Due to China's lack of natural resources, its growth has ensured that the global prices of commodities have risen dramatically, meaning all nations, not just China, are required to pay inflated prices for Australian goods. Its building program led to the trebling of the price of sludge on Australian beaches used for pigments in paint

<sup>20</sup> Ibid

<sup>21 &#</sup>x27;What Will the World Gain from China in 20 Years?', China's Business Review, Mar./Apr. 2003

<sup>22</sup> Jacques, Martin, (2012), When China Rules the World, Second Edition, The Penguin Group, New York, p199

<sup>23</sup> Ibid, p99

<sup>24</sup> Stevens, Glenn, (2010), The Challenge of Prosperity, Address to the Committee for Economic Development of Australia (CEDA) Annual Dinner, <a href="http://www.rba.gov.au/speeches/2010/sp-gov-291110.html">http://www.rba.gov.au/speeches/2010/sp-gov-291110.html</a> (accessed 26 Aug. 2017)

in 2010,<sup>25</sup> and at one point in 2007 a "quarter of the world's biggest bulk freighters were moored off NSW, waiting to take coal and ore to the PRC."<sup>26</sup> China's demand for Australian resources has also contributed to a reduction of overall levels of unemployment, even as the domestic focus on meeting China's energy needs causes distortions in the local economy—especially the manufacturing and housing sectors. As trade with China becomes more central to the Australian economy, Australian financial markets "follow signals from China rather than in the US, while the correlation between the value of equities in Shanghai and Sydney has strengthened every year since 2004".<sup>27</sup>

## Free Trade & the future of China-Australia relations

China has long held a special place in Australia's imagination. It has been the home of the orange peril and Mao's blue ants.<sup>28</sup> Simultaneously, it has also been a Shangri La and money making Eldorado.<sup>29</sup> But there is no denying that it is due to free trade with nations like China that Australia has managed to maintain an economy that is the envy of the world.<sup>30</sup>

In the last few years the Australian Government has flirted with racially motivated protectionism, tightening the rules on overseas investment, notably in agriculture,<sup>31</sup> and has outright blocked sales to Chinese companies.<sup>32</sup> Returning to the xenophobic protectionism of the past is narrow minded and self-destructive, and would cause the destruction of policies that have made Australia a country with one of the world's strongest economies and highest standards of living.

Stephen Fitzgerald, Australia's first ambassador to China wrote to his Department of Foreign Affairs superiors in 1976 that if Chinese trade with Australia expanded in the last quarter of the 20th century, by 2000, China would have a dominant role in Australia's economy. In tune with the protectionist policies at the time, his letter was received with scepticism. "A measure of wishful thinking here" was pencilled in the margin. 33 Long may wishful thinking reign.

<sup>25</sup> Fenby, Jonathan, (2012) Tiger Head, Snake Tails: China today, how it got there, and where it is heading, Simon and Schuster, London, p4

<sup>26</sup> Ibid, p255

<sup>27</sup> Jacques, When China Rules the World, p368

<sup>&#</sup>x27;Orange Peril' refers to a combination of the traditional Australian fear of the yellow hordes and the general Cold War fear of the Communist red menace. 'Blue ants' was a racist term aimed at the Chinese, using the fact that, due to an underdeveloped textile industry, most Chinese dressed the same, and implied they looked the same and had a 'hive mind'. It was coined by the French journalist Robert Guillain. See Guillain, Robert, (1957), The Blue Ants: 600 million Chinese under the Red Flag, Secker & Warburg, London; Kendall, Timothy, (2005), Ways of Seeing China, From Yellow Peril to ShangriLa, Curtin University Books, Fremantle, p.17

<sup>29</sup> Shangri-La refers to an Orientalised 'land of opportunity' and an exotic concept of utopia. See Strahan, Lachlan, (1996), Australia's China: Changing perceptions from the 1930s to the 1990s, Cambridge University Press, Cambridge, p298; and Lopez Jnr, Donald S., (1998), Prisoners of Shangri-La: Tibetan Buddhism and the West, University of Chicago Press, Chicago

<sup>30</sup> Its record of consecutive quarters of growth means that Australia was one of the few nations to go through the Global Financial Crisis without going into recession.

<sup>31</sup> Uren, David, 'Food sector foreign investment curbs stink of protectionism' in The Australian, 13 Aug. 2015, <a href="http://www.theaustralian.com.au/business/opinion/david-uren-economics/food-sector-foreign-investment-curbs-stink-of-protectionism/news-story/b671cd3537c88453d36a77cc7d9ec942">http://www.theaustralian.com.au/business/opinion/david-uren-economics/food-sector-foreign-investment-curbs-stink-of-protectionism/news-story/b671cd3537c88453d36a77cc7d9ec942</a>.

<sup>32</sup> Barrett Jonathan, & Wong, Sue-Lin, 'China warns 'protectionist' Australia on investment after grid deal blocked', Reuters, 17 Aug. 2016, http://www.reuters.com/article/us-australia-privatisation-ausgrid-idUSKCN10R2M1.

<sup>33</sup> Uren, David, (2012), The Kingdom and the Quarry: China, Australia, Fear and Greed, Black Inc, Collingwood, p12



## Article by Rachel Nunn

Experienced Social Development Specialist, with a demonstrated history of working in the donor and non-profit sector, and current student at the Australian National University.

A series of fortunate events resulted in my being where I am today. I speak to so many of my fellow young professionals about careers, and am always shocked to hear that people don't know what they want to do.

I was in the opposite position of knowing all too well what I wanted to do since about Year 9 of High School. I remember declaring in a speech during a school assembly that I would one day be the Secretary-General of the United Nations. I knew very little of the UN, and had absolutely no idea how I would come to end up there, but knew with a degree of certainty that that was exactly what I wanted to do.

I had trouble considering other career options, no matter how appealing they seemed, because I was so certain that I wanted to be at the UN that everything else seemed to pale in comparison.

I studied my undergraduate degree in Political, Economic and Social Science at the University of Sydney with a Major in Anthropology. It wasn't a popular major - out of a cohort of about 200 there were just 3 of us that chose it as our Major. But I loved Anthropology. I loved learning about how people relate to people and how deeply social relationships constitute our existence.

I was offered an internship in the local electoral office of the then NSW Treasurer Mike Baird. It was what many of my friends considered the dream internship, and it was truly an amazing opportunity for learning. It opened my eyes to a very small portion of the world of state politics.

I didn't seek out the internship, but rather I had made a point of getting to know Treasurer Baird whilst I was at school, because he was our local member. And when it came time for his office to look for an intern, he kindly put me forward. That was my first lesson in the power of networking.

I loved working amongst the community and I especially loved listening to peoples stories and understanding the complexities and intricacies of their lives. Listening to and analysing people and their communities had long been my favourite pastime, and there was no doubt in my mind that I chose the right Major when I choose anthropology.

I started volunteering at various places in Sydney where I got to work directly with people who were having a hard time in their lives, and I thrived off

getting to know their stories and finding my small way to help them.

But all that time I was still desperate to start working in a UN agency, and talked about it endlessly to my family and friends. Then, I met a woman who happened to be married to a Senior Social Development Specialist at the World Bank. She kindly offered to pass my CV onto her husband and a few weeks later I had my first day as an intern at the World Bank offices in Sydney.

My manager was incredibly generous with his time and offered me the most exciting opportunities - I had very few skills but what I lacked in technical knowledge I made up for in enthusiasm and positivity, and as it turned out, those were highly valued skills in our team. I tried to say yes to every opportunity that was put in front of me, and accepted that I would get used to constantly being busy and soon forgot what free time felt like.

Eventually, I began travelling for work. I thought it would be glamorous, and in many ways it was. I loved the feeling of landing in a new city, all by myself; it create a feeling of self-reliance and independence that was the catalyst for my becoming immensely more resilient and confident in myself. But it was also challenging - I would work long days in the office, then leave around 4pm, and eat dinner at 5pm so I could be back in my hotel room by 6pm before it got dark.

I quickly realised that sitting alone in hotel rooms battling poor wifi connections and swatting mosquitos was not my element, and I often felt quite lonely. I've always experienced anxiety, particularly around travel, so I often questioned why I'd so fiercely chosen a career that required me to spend a lot of time travelling, and to spend a lot of time alone. But there was never a point where the negatives outweighed the positives.

I was given the advice that I'd be more valuable to the UN if I went and got experience with another organisation, and learnt more about the grassroots side of development. I was ready for a change after two years and so jumped at the opportunity to become the Head of International Engagement at Oaktree.

In this role, I've had the privilege of managing a team of 26 phenomenal young people, and rather than becoming aware of everything that I do know, this experience has made me aware of all of the areas of professional development I need to work in. It's been illuminating and has forced me to be far more self-reflexive than I've been in the past, and for that I'm extremely grateful.

And today marks the end of my second last week at Oaktree, before I return to Sydney, without a clear idea of what exactly I'll do when I get there. What I do know is that I'll finish my Masters over the next 12 months, I'll begin my thesis early next year, and I'll be focusing on innovative approaches to community led healthcare, most likely in Papua New Guinea, a country that I've had the privilege of working quite extensively in and it has been extremely close to my heart.

I've learnt a few key things which may be of use to you all. Firstly, it's great to have a dream job in mind, and I'd argue that it's better to choose something specific to set your sights on than to not have anything at all in mind. In saying this, there is something exciting about not making up your mind too soon - when nothing is certain, anything is possible, and lately I've been relishing this feeling of possibility that I haven't felt in a long time. I've been saying yes to things that 12 months ago I would have written off because I didn't see how they would help me get to my dream job.

Secondly, networking is hard when you're not quite sure what you have to offer. But trust that older people who are mid-way through their careers want to speak to you and what you have to say is important and valuable. The trick with networking is to be up front. My former boss at the World Bank told me that in his twenty year career, I was the first person who just straight up asked him for a job. And he valued that honesty and openness that I've always strived to maintain.

When people offer you help, take it. Don't miss opportunities to send people your CV, and when you meet a great person whose career you admire, work hard to keep them in your network stay in touch, update them on what you're doing, and remind yourself of what is uniquely you and realise that people will value you for that.

Thirdly, be humble. Don't fall under the impression that you need to be running large scale development projects and making all the big decisions. The best people I've met in this sector are the ones that recognise that life goes

on without them. We are not in the business of saving lives, people in developing countries are not passively waiting for our assistance, and you'll get furthest when you listen more than you speak, and do your little part of the puzzle well, however seemingly mundane or inconsequential it may appear.

Get comfortable with being a small part of a much bigger picture. I feel strongly that in this sector, we should always be building the capacity of the people we strive to help, and should never see ourselves as central to the wellbeing and livelihood of another person. Ultimately, people must be self-determined and must be able to exercise their own form of agency and empowerment. We should never try to make people reliant on us - this statement came to me as quite a startling realisation, but ever since I've reconsidered the way I approach my job.

Lastly, however difficult it may seem, try not to compete. A mantra I often remind myself is 'there is enough room for everyone to succeed.' Trust that whilst jobs in this sector may seem scarce, and the grass may always appear greener on the side of full time employment, any form of experience gets you a step closer to where you want to be, and the people that stand out are the ones that are gracious, humble and supportive of their peers.

Ultimately, we want to work in this sector because we like seeing others succeed, and so it always appears concerning to me when I meet people who put their own success above the success of everyone around them, and claim to do whatever it takes to get where they want to be. You can be both determined and humble, motivated and gracious, and independent, self-reliant, and supportive of those around you. One of my favourite questions to ask myself is, is this the sort of behaviour I want to be remembered for at the end of my career?

I'd like to close by saying what a privilege it is to speak to you all today and to be considered an expert in this field. I'm immensely grateful for each day I get to spend in this sector and I have no doubt I'll work alongside some of you in the coming years.

Thank you.



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