



AUSTRALIA IN THE ASIAN CENTURY: NORTH AUSTRALIA BRIEFING PAPER

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EXECUTIVE SUMMARY

The Commonwealth government's *Australia in the Asian Century White Paper 2012* acknowledges Northern Australia's central role in the Asian Century:

"With resources investment and production continuing to expand for some time, northern Australia is likely to account for an increasing proportion of Australia's production and labour demand." (*Asian Century White Paper (2012)*, p. 117)

"Regional Australia is home to around one-third of our population. Primary industries, which are concentrated in regional Australia, make up close to two-thirds of our exports. Strong demand from Asia will support development across northern Australia from Western Australia to Queensland..." (*Asian Century White Paper (2012)*, p. 9)

"Across northern Australia, economic growth will underpin the expansion of Darwin, Kununurra and north Queensland as regional hubs and gateways for trade with Asian nations." (Media release from the Minister for Regional Australia, Simon Crean MP, *Regional Australia to drive stronger links with Asia*, Sunday, 28 October, 2012)

There are four key topics to arise out of the white paper for Northern Australia:

1. Acknowledgement of the role of Special Economic Zones
2. Darwin as a gateway to Asia
3. Agriculture and food production
4. Northern medical hub

SPECIAL ECONOMIC ZONES AND REGULATION

The White Paper acknowledges the role Special Economic Zones played in the economic transformation of China:

"In the 1980s, reforms also allowed largely communally owned enterprises to take advantage of new market opportunities — providing the engine of Chinese growth for two decades. This was accompanied by the introduction and expansion of 'special economic zones', which provided concessions for private enterprise and foreign investment while the rest of the economy remained under controls and restrictions." (*Asian Century White Paper (2012)*, p. 37)

The acknowledgement of Special Economic Zones is very significant. There is, however, no mention of using Special Economic Zones to drive growth in Northern Australia or in helping reach the White Paper's aim for Australia to be in the world's top five for ease of doing business by 2025. (*Asian Century White Paper*, p. 152)

DARWIN: GATEWAY TO ASIA

Darwin is mentioned as a potential gateway to Asia: "One region that has seen strong opportunities from recent economic changes is Darwin. An alignment of policies supporting development, coupled with a clear vision, provide real opportunity to shape the direction of Darwin's future." (*Asian Century White Paper (2012)*, p. 183)

Darwin is well placed to take advantage of the growth in Asia's middle-class. This growth presents an opportunity to finally make Darwin the city of its potential, relying less on the public sector:

"Together with business and the Northern Territory Government, we will work, over time, to accelerate Darwin's evolution as a sophisticated, liveable city built around a gateway to Asia, and as a regional hub for a significant number of goods and services. We will do this through coordinated infrastructure, planning and international engagement activities. Learning more from this experience, we, together with States and Territories, will explore options to extend this strategy to other well-positioned, high-growth centres in northern Australia as well as other regions across Australia with growing links to Asia." (*Asian Century White Paper (2012)*, p. 183-4)

AGRICULTURE AND FOOD PRODUCTION

The White Paper points out that increasing demand for quality food products could be a boon for Australian agriculture. Higher demand and commensurate higher prices will finally make agricultural development in Northern Australia add up economically:

"The boost to the agriculture and food sector's prospects from Asia's rise could see the development of new technologies and practices, as well as the necessary commercial incentives for new infrastructure investment that will enable sustainable production in northern Australia to flourish." (*Asian Century White Paper (2012)*, p. 216)

The White Paper does not discuss limits placed on the growth of Northern agriculture by government; markets will drive investment in infrastructure regardless of current policy settings, according to the paper.

The White Paper is also inconsistent with the government's own green paper on food. The National Food Plan green paper released by the government in July, 2012, asserted that:

"[L]arge-scale expansion of irrigated agriculture in northern Australia — the scale of which would be required to create a northern food bowl — does not appear to be sustainable or feasible." (*National Food Plan Green Paper (2012)*, p. 139-40)

NORTHERN MEDICAL HUB

The White Paper acknowledges opportunities for exporting medical services from Northern Australia, again mainly in Darwin:

"The National Critical Care and Trauma Response Centre — established in Darwin after the Bali bombings in 2002 and 2005 — is an important hub for our emergency medical responses in the

region. It also delivers training to clinicians in the region. Given Darwin's proximity to Southeast Asia, its large military population and its capacity for growth in the decades ahead, the centre is well placed to become a regional centre of medical excellence in the region." (*Asian Century White Paper (2012)*, p. 247)

Whilst welcome, the White Paper's ideas on Northern Australian medical hubs are not as developed or comprehensive as research conducted by the Institute of Public Affairs, and there is no mention of opportunities in elective surgery.

TWO OF THE WHITE PAPER'S KEY OBJECTIVES OF THE "TWENTY-FIVE NATIONAL OBJECTIVES FOR 2025"

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"Work together with business and the Northern Territory Government to accelerate Darwin's evolution as a sophisticated, liveable city built around a gateway to Asia, and a regional hub for a large number of goods and services, through coordinated infrastructure, planning and international engagement activities. Explore options to extend this strategy to other well-positioned, high-growth centres in northern Australia as well as other regions across Australia with growing links to Asia."

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"Increase Australia's participation in Asia's markets through providing services to assist food and agricultural exporters, and support two-way investment with the Asian region in food and food processing, related transport infrastructure, natural resource management and water conservation to drive the development of Australia's regional and remote areas, particularly across northern Australia and Tasmania."