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New Economic Strategies

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In this paper I will look at why our current economic model is unsustainable, and provide an alternative we can move towards.

Most current economic models are based upon continual growth which involves a growth in resource use and in service use.

Overhead 1

The first problem from the current system is that it encourages population growth which will lead to a point where the planet can no longer support the population.

Overhead 2

There is also a drift to the capital cities of the world. For example Mexico city had 8/9 million of the population in 1970, and 20.0 million in 1990. In 1911, Perth had 1.4% of the WA population and by 1991 it had 72.7%.

WA is a prime example of the exploitation of our current system. It has a high infrastructure system of industry, in area far removed from the capital city. However the resources exploited in the distant regions are channelled through the capital city. This system is still based on the colonial system, where the colonies are exploited and the produce taken away raw to be processed. This leads to an exploited colony and high taxes in Britain, due to the cost of maintaining colonial armies and navies.

Overhead 3

In WA, population growth has been presented as giving a bright future, but most will be living in the city.

Overhead 4

Overhead 5

The Department of Commerce and Trade presents a bright picture for the future. Iron Ore in almost half the economy of the Pilbara, with a tiny amount in services, tourism and retail. Most of these materials are exported raw.

Overhead 6

In the Pilbara, mining provides the greatest employment, but the area lacks commercial centres of any great size. This is the central point of this paper, how to get away from the current system which channels resources out of the area rather than providing needed services and manufacturing within the area.

Overhead 7

There has been a decline in construction in the Pilbara, and a decline in dwellings. Thus, despite the huge amount of wealth generated in the area, NW people are heading south. In 1992/3, the Pilbara demonstrated a 6% population decline.

Overhead 8

To exacerbate this companies operating in the area are moving to contract based employment, which has led to many people being employed on a 'fly in, fly out' basis. We need to change the balance as rural communities decline and the population of Perth increases.

So, has employment and conditions improved in these areas as a result of the so called 'boom-time' of industry? No. And this situation is not unique to WA, it is a world wide trend.

Overhead 9

This is bad news for the unemployed because although there is an economic up turn, this does not mean there is hope.

WE need to change to a system of economics which increase sharing of wealth and growth in Australia, and move from a system which sees high GDP as good, when some day we will have nothing to exchange for money any more.

Overhead 10

The North West Shelf development resulted in contracts with the then called SEC that they would purchase 9.66% of the gas produced. This turned out to be far too much than required, and would have bankrupted the state. So high energy using industries were encouraged to settle in the state, and we are encouraged to use as much as possible by receiving cheaper prices for higher use.

We also have a declining area of farmland due to urbanisation but mainly due to land degradation, particularly salinity. The government has been of little help, for example CALM has plans to clear 98% of the remaining vegetation in the Blackwood River Catchment area which makes up 50% of the shire. The Blackwood already has an increasing level of salinity. Thus in ten years there will be no forest greater than ten years old except in the buffer zones, and regrowth will be a problem in a saline environment.

Overhead 11

Christabell Chamarete completed a study of carrying capacity for Australia, which shows that by 2040 our water resources could support 150 million people. But our

petroleum could only support less than one million, and we currently rely on many petroleum based products.

If we look at all these facts, it is clear that we need a drastic change.

We need to encourage regional development, so that people are closer to their support bases, and the states should be abolished to encourage this. WE should be responsible to our own systems not international money markets. We should be encouraging self contained systems which do not export all raw materials. An example, to close, of the problems we now face is that although most of our oil and gas is produced in the Karratha region, it is more expensive there as it first comes to Perth.