

From: [REDACTED]
To: [REDACTED]
Subject: Submission to Foreign Policy Review
Date: Wednesday, 22 February 2017 12:35:38 PM

To whom it may concern,

My submission to the Foreign Policy Review is as follows:

- Australia should reconsider its strategic alliances with foreign nations. I advocate for a gradual transition to neutrality. A non-aligned Australia is free to serve the interests of Australians, not foreign governments that often have agendas that run counter to Australia's interests and Australian values. A transition to neutrality requires certain other changes, including:
 - A transition to defence self-sufficiency. Australia must be able to defend itself from invasion, wherever that might originate from. This requires significant increase in spending on defence (personnel, infrastructure and technology)
 - A passionate commitment to world peace and strong aversion to getting Australian defence forces involved in military activity in foreign fields, except in peace-keeping missions.
 - Any commitment of significant Australian military force on foreign soil to be possible only via two thirds majority in both houses of parliament.
 - Mandatory military service for all Australian adults - so that we can indeed defend ourselves from invasion.
 - Switzerland's approach to neutrality, peace and self defence is a successful model and therefore a good starting point to develop a similar Australian model.
- It is not appropriate to spend Australian taxpayers funds on foreign aid. Giving foreign aid is a very virtuous concept which I support, but providing that via government is not appropriate or optimal. Governments are also often tempted to make decisions about where to spend foreign aid based on political agendas, which is not good for anyone. Governments also suffer from continual temptation to give "tied aid" (where a significant portion of aid funds are tied to certain conditions, such as the work carried out must be carried out by Australian organisations - this is not aid, it's backdoor government subsidy of Australian businesses. Foreign aid is best delivered by individual Australians out of the kindness of their own hearts directly to specific causes. This keeps Australians connected to the causes they are supporting, giving a sense of self worth and that they can help make a difference. If the government insists that there is a role for foreign aid originating from government using taxpayer funds, then I suggest the government not allocated those funds directly but rather offer tax incentives for individuals making foreign aid donations - to encourage Australians to donate to foreign causes that they feel need their support.
- As a country committed (as I am recommending) to neutrality, we should set ourselves the goal of being intermediaries to broker peace between conflicting nations. Australia could make a name for itself as a peace-promoting country that, by offering its brightest mediators and facilitators to act in that role to assist other countries to find ways to peaceful resolution of disagreements, develops a reputation of being a country of people that is actively working internationally for a peaceful and prosperous world.
- If a free trade deal requires thousands of pages to describe, it's not actually a free trade deal at all. It's that simple.

- I disagree with the Review's assumption that Australia must be an export led or export focussed economy. It seems there is an assumption that exports are great and imports are bad. This is a massive oversimplification.
- A country's finances are NOT the same as a household's finances. Borrowing is not always bad, surpluses are not always good. By definition it's MATHEMATICALLY IMPOSSIBLE for every country to be a net exporter. It's also MATHEMATICALLY IMPOSSIBLE for every country to run a positive trade balance. We need to "clean house" and dispense with most if not all with the economic advisers who've been advising Australia since the GFC - they generally don't have a clue. We need to be seeking the input of people like Michael Pettis about national balance sheets and how to get the most out of them.
- Australia is the recipient of a huge amount of capital that is currently fleeing China, Europe and elsewhere. This is because it is viewed as an attractive and safe locale for capital preservation. Depending on how we manage these capital flows we can either benefit significantly as a country, or it can do a lot of harm. Right now, due to massive conflicts of interest and corruption, real-estate is the beneficiary of most of the capital inflows. This is going to end very, very badly. It is literally sowing the seeds of future economic malaise and civil unrest by the cohorts that have been priced out of the property market by wealthy foreigners parking their capital in Australian property. It may already be too late to avoid a catastrophic real-estate bust down the track, but some important policy changes (that are not too difficult) could dramatically improve the benefits to Australia. Such as much stricter monitoring and control of foreign capital flows. Such as removing the exemption from the Anti-Money Laundering Rules that the real-estate industry currently enjoys. Such as actually enforcing and prosecuting breaches of foreign investment law rather than the current situation where the ATO has been hamstrung from actually following through on most cases. Such as enforcing law preventing foreign capital from buying established dwellings. Such as creating financial incentives to discourage empty dwellings (via taxes/charges for empty un-rented dwellings). Such as creating incentives for foreign capital to invest in Australian business (creating jobs) rather than real-estate.
- The best foreign policy grows out from the best internal policy. An Australia that seeks to enable it's citizens, provides them the freedom to better themselves, has a reasonable legal system that is as simple as possible, respects the rule of law whether rich or poor will lead to a desire for foreign policy that expresses the same ideals. My point is that foreign policy does not exist in a vacuum. By analogy, you can't expect a personal who is habitually dysfunctional to his family to express a consistently good position to strangers. Similarly, if Australia is healthy internally it will shine a bright and warm light externally.

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