

Internal/ External	Title	Nature and Effect	Comment
<b>Internal</b>	Oil depletion	The current oil issue is really just an emotion-led price spike. However, around 2015 we expect oil production to be physically constrained and Australia's domestic stocks to be very low. The price Australia can adapt to and our trade balance will look simply dreadful. The most important issue is that supply will become erratic and cause breaks in important chains and therefore widespread disruption.	Possible that Australia could make a reasonably quick adaptation to compressed natural gas.
<b>Internal</b>	Population ageing	Around 2030 we expect that approximately 25% of Australia will be over the age of 65 giving increased health and pension costs, but more importantly, a stable or slightly declining workforce that does not increase government coffers through continual growth and expansion of consumption. Tied into lack of investment in all-round skills.	Several good analyses point to this being a bit of a beat-up to frighten the punters, provided Australia gets expected productivity growth and progressively increases social spending by 5%.
<b>Internal</b>	Land and water toxicity	By the mid-2020s many land and water 'sleepers' will be coming home to roost, potentially giving saline and acidic rivers that in turn make irrigation agriculture extremely problematical. Once these go past the buffering thresholds it may be difficult to entice rivers and land to return to reasonable ecological function.	A really bad fright in the 2010s may scare us enough to invest heavily enough to repair sufficiently.
<b>Internal</b>	Semi-permanent El Nino	The main topics of discussions about global change in Australia are higher temperatures and more cyclones. More worrying would be if rainfall patterns move permanently off-land and most of the country's production areas remain in semipermanent drought.	A real possibility with reasonable support for hypothesis that this has happened to the south-west of Western Australia
<b>External</b>	Infrastructure fragility	Lack of substantial investment since the 1970s in widespread 'dull' infrastructure essentials, such as water, electricity and transport, leads to the widespread co-occurrence of system failures in the 2020s.	This is real now but a few megafailures in the next two decades might wake us from our slumber.

Internal/ External	Title	Nature and Effect	Comment
<b>Internal</b>	US-led economic meltdown	The ‘shopping mall’ economy of the US requires large inflows of capital (mainly from Asia) to underpin and sustain growth in most of the world. The US now has large trade deficits, very large debt and a large underclass of deprived peoples. If the US economy cracks it will take most of the developed world with it. Because China had nowhere to send manufactures, our commodities exports would dry up overnight.	Recognising this, perhaps the rest of the world would simply not let it happen. However, the co-occurrence of a New Orleans and a 9/11 attack would probably do it.
<b>External</b>	Large depreciation of Australian dollar	A large downturn in several commodity exports (e.g. Brazil and Argentina blow us out of the water on iron ore, grains and meats) could rapidly increase our trade deficit (especially when oil is biting hard), cause a flight of capital and make our external private debt (circa \$500 billion now) difficult to pay interest on. Most importantly, our superannuation funds will give very little retirement cash flow and cause much social ‘grey’ anger.	Unlikely that Australia could sink as low as Zimbabwe, but Argentina is a reasonable model.
<b>External</b>	Human pandemic	The current bird flu issue is the most likely. The key issue is not just the number of people it kills or makes very sick but the degree to which it could clog up social and economic transactions, such as that the economy would stall and normal things become unworkable.	
<b>Internal</b>	Animal plant pandemic	Possible that a superbug or plant weed from a GE escape or mistake (perhaps with human implications) could emasculate production but, more importantly, completely stop agricultural exports.	Continual wind down of practically skilled field operatives would allow the issue to intensify while the ‘suits’ risk managed.
<b>BOTH</b>	Co-occurrence	Take your pick of the above, but any two or three in combination could synergise the unwieldy outcomes of each individual one into untold and unforeseen myriads of truculence.	Perhaps too apocalyptic, but requires research and role-playing to determine most-thoughtful responses.

**Table 5:** Table of shocks from an assessment by Australia 21 [10].