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Isolation as Disability and Resource: Considering Sub-national Island Status in the Constitution of the ‘New Tasmania’

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ABSTRACT *The peoples and governments of island nation-states appear to use isolation as a jurisdictional resource to address the challenges of economic globalization. This tactic is pronounced in relation to tourism and property developments, which have the potential to be especially internally divisive. But what of sub-national island jurisdictions? Australia’s foundation is, in part, indebted to British colonial ideas about a commonwealth of increase: its creation as a symmetrical federation (albeit with pronounced asymmetries) reflecting a desire to modulate the effects of central and peripheral economic activity. In this federation isolation is used in particular in the distribution of national funds to six states and two territories—referred to here as sub-national jurisdictions. For example, the island state of Tasmania is perhaps the most marginal of all such sub-national jurisdictions; insular in many ways, remote, detached. Evidence suggests that Tasmanians use isolation in different ways to both stabilize and unsettle the direction of development there. With reference to official attempts to create a ‘New Tasmania’, typified by an ability to attract substantial investment dollars in tourism and coastal subdivisions, I highlight the effects of conflicts that may arise when isolation and ‘islandness’ are deployed as tools for economic ‘progress’ and as characteristics to aid resistance against globalization’s homogenizing tendencies to render ‘everywhere the same’.*

KEY WORDS: ‘Islandness’, isolation, federalism, development, isomorphism, Tasmania

Introduction

In an era where size becomes synonymous with might, the cultural, historical, and material importance of islands to world history has been generally ignored... British colonial activity in island spaces became mystified through the literary construction of isolated islands... awaiting... ‘development’... [and it inscribed] an insoluble contradiction... that islands are simultaneously isolated yet deeply susceptible to migration and settlement... We have to question who benefits from the persistent myth of island isolation. (Deloughrey, 2004, p. 300)

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Nikolas Rose suggests that government has been made possible only by “defining boundaries, rendering them visible, assembling information about that which is included and devising techniques to mobilize the forces [such as identities] and entities [such as nations] thus revealed” (Rose, 2003, p. 33). But these visible boundaries, assemblages and techniques are unstable, and this instability gives rise to new forms of economic space and spatializations of governmental thought. Three lines of inquiry are suggested. The first requires understanding the territorialization of governmental thought, the act of “marking out a territory in thought and inscribing it in the real” (Rose, 2003, p. 34). The second warrants an appreciation of the spatializing of the gaze of those who govern, using inscription devices such as maps, charts and diagrams (Richardson, 2005). These devices serve to produce conviction in others in order to stabilize the space to be governed as ‘the real’. The third suggests the need to understand the impetus to model the space of government as isotropic—to render everywhere the same. These “concrete realizations of imaginary space stand in, in thought, for that which they realize . . . take on a life of their own, and are invested with powers which appear to allow the mastery of the phenomena they imagine or model” (Rose, 2003, p. 38). Among other things, what emerge are colonies, federations, states and their sub-national jurisdictions, citizens identifiable by their attachment to place, and the intergovernmental relations through which they negotiate their relative positions.

Intergovernmental relations in federal states may be typified by cooperative contest between those who govern the states nationally and those who govern their constituent sub-national jurisdictions. Equally, internal relations between sub-national governments and their citizens can be testing, especially where shifts in the global marketplace affect local attachment to place. Understanding how such relations influence our being in place means comprehending the consequence of various strategies and tactics of government that shape conduct and constitute regimes of truth (Dean, 1999).

Among other things, an island is a “sharply precise physical entity which accentuates clear and holistic notions of location and identity” (Baldacchino, 2004a, p. 272). Islands are also profoundly spatialized in governmental thought, and it is a distinct challenge to protect them from globalizing tendencies to render everywhere the same (Péron, 2004). Addressing such challenges has characterized much island scholarship. In the process, studies of the nation-state are favoured over those of sub-national jurisdictions (Anckar, 2002; Armstrong and Read, 2003; Baldacchino, 2004a; 2004b; Bertram and Watters, 1985; Cau, 1999; Hache, 1998). Yet, just as governments of island states may leverage insularity as a jurisdictional resource in international negotiations about development, so the sub-national island jurisdiction whose ‘parent’ is a mainland or continental territory may deploy its status as a key mechanism of distinction from mainland ‘siblings’, and strive to minimize certain asymmetries of federalism.

From the 1820s to the 1890s the idea of the federation of Australia was forged by colonial leaders seeking a ‘common wealth of increase’ within the constraint of British foreign policy and the imperial government’s cautious position on the dominion following its North American losses (Brown, 2004). The jurisdiction was created by the Commonwealth of Australia Constitution Act 1901, and now comprises six provinces called ‘states’—New South Wales, Victoria, South Australia,

Western Australia, Queensland and Tasmania—and two territories—the Australian Capital Territory (ACT) and the Northern Territory. All but the last two have full statehood, the Northern Territory's more limited status being largely determined on the basis of population size and the ACT's because of its 'capital' function (just like the District of Columbia in the USA). In such an arrangement sub-national distinctiveness—expressed through the performance of place and identity—becomes imperative. The reasons for this need may be explained as follows. Federations such as Australia are constituted for diverse reasons, not least among them the ability to account for the presence of core and peripheral economic zones. In certain jurisdictions these zones have prompted the formation of "asymmetrical federal designs: certain regions receive more autonomy than others; or the autonomy that is granted to one type of region may be different from the autonomy that is granted to another type" (Swenden and Beaufays, 2005, no page number). In the case of Australia, however, zones of central and peripheral influence fostered the constitution of a symmetrical federation, in which enshrined uniformities are resisted and practices of distinction are cultivated among the sub-national jurisdictions that comprise the whole.

Such practices of distinction become apparent in various ways. Two such practices are intergovernmental fiscal negotiations to secure preferential treatment because of idiosyncratic circumstances, such as Tasmanians being able to claim remote island status and use isolation as a 'disability'; and efforts to attract offshore investment, such as when Tasmanians capitalize on the development appeal that adheres to island status as a 'resource'—isolation included (Baldacchino, 2004b).

In light of the foregoing I intend to examine the emergence of the 'New Tasmania' as an open and accessible island imaginary of global international desire, which some suggest is at risk of reduction to an 'everywhere'. The term 'New Tasmania' encapsulates a thrust by State Government to ensure that Tasmania benefits from economic globalization by marketing its natural advantages (as an island) without degrading those same advantages. The New Tasmania is meant to attract 'the big end of town' in ecotourist and sustainable tourism resorts, and in new coastal residential subdivisions, but this is the subject of considerable dissent. In view of this opposition, and given what is at stake for sub-national island peoples struggling to come to terms with the demands of modernity, it is instructive to ask how Tasmanians are using isolated and island status as resources to negotiate the direction of development—especially tourism and property development. What does the creation of the New Tasmania mean in the context of globalization's simultaneously homogenizing and destabilizing embrace? In addressing these questions, I first examine how isolation has been constituted as a disability in intergovernmental relations. I then explore how isolation is (re)deployed to Tasmania's apparent advantage in Australian federal fiscal equalization strategies featuring the Bass Strait as the maritime extension of the national highway that carries to the island's shore tourists and those seeking a more permanent sea change. I therefore elaborate on certain debates that characterize the controversial emergence of the New Tasmania to emphasize the use of isolation as a special resource among those who question the shape, directions and values of this newly spatialized place as a locus of globalized tourism and property development. Through these efforts the larger task at hand is to contribute to the growing literature on sub-national island

jurisdictions as particular categories of place in which questions of governance play out, and to further pursue research on islands, sustainable development and globalization (Armstrong and Stratford, 2004; Stratford, 2003; 2006; Stratford, *et al.*, 2003).

Observations on Australian Federal Fiscal Equalization

Each sub-national jurisdiction in Australia has its own constitution, laws and economic activities. Each is also highly dependent on the Australian Government (Chapman, 1982; Kline, 2002; Walker, 1999). In a sense this is dependency by agreement, whereby central funds are distributed to the states using the principles of fiscal equalization (Australian Government, Commonwealth Grants Commission, 2005). It is based on the foundational assumption that “each State should be able to provide the same standard of services to its population, if it operates at the same level of efficiency and makes the same effort to raise revenues from its own sources” (Searle, 2002, p. 1).

There are various problems with ensuring horizontal political and economic balance among strong and weak states; and challenges exist in securing vertical fiscal balance between the Commonwealth and the states. Mathews (no date) notes that most of the costly expenditure functions have been retained by the states, with taxation being the privilege of the Commonwealth alongside the distribution of general revenue grants (GRGs) and special purpose payments (SPPs).¹ He also maintains that “imbalance has always been less marked in Australia... personal incomes per head in the smallest and poorest State, Tasmania, have never been more than about 20 per cent below those of the most populous and richest States of New South Wales and Victoria” (Mathews, 1977, p. 4).

A relatively early response to intergovernmental fiscal imbalance² was the establishment in 1933 of the Commonwealth Grants Commission (CGC).³ Its decisions about financial matters are based on need, and its operation has been remarkably effective, given what is at stake in terms of competition among territories and populations. However, discontent about apparent inequities in the system ran especially high in the 1980s and 1990s, and in June 1999 the parties signed an Intergovernmental Agreement on Principles for the Reform of Commonwealth–State Financial Relations (IGA) during the introduction of the Goods and Services Tax (GST) and abolition of various Commonwealth and state taxes. Under the IGA, “the Commonwealth returns... revenue collected from the GST... to the States, but no longer pays them revenue replacement payments or gives them untied financial assistance grants... [with the guarantee that they]... will be no worse off than under... former... arrangements” (Searle, 2002, p. 9). Nevertheless, Eslake’s (2004) analysis of the state’s economic outlook suggests that Tasmania has been receiving diminishing levels of commonwealth funds over a number of years.

So-called ‘disabilities’ are an important consideration for the CGC in its deliberations on fiscal equalization. These are “influences beyond a State’s control that require it to spend more (or less) to provide the same service as other States, or mean that it cannot raise as much revenue as (or can raise more than) other States from the same tax rates” (Searle, 2002, p. 21). Isolation is one such disability for which states gain special consideration in negotiations over fiscal equalization because, in general

terms, it is thought to impede development. "Isolation disabilities relate to unavoidable costs incurred by some States because of the distances of those States from other State capitals and sources of supply. Isolation-related costs are considered to affect most State functions" (Australian Government, Commonwealth Grants Commission, 2002, p. 1). They include labour and freight costs; airfares and travel allowances; travel-related subsidies; professional infrastructure; and commercial isolation.

The CGC assesses isolation-related expenditure for each state and compares that expenditure with the Australian average to derive an 'isolation factor'. The most remote and least developed, the Northern Territory, completely dominates the national scene, taking up just under 88% of the isolation factor by itself. However, when the latter is removed from the picture as 'anomalous' (justified because it is the least developed jurisdiction, has a low population threshold, and underdeveloped social and economic infrastructure), Tasmania accounts for just under 48% (Australian Government, Commonwealth Grants Commission, 2002; 2003).

Playing the Isolation Card

Baldacchino's (2006) observation that sub-national jurisdictions possess the capacity for both shared and self-rule; have autonomy and strong identity; and exhibit high levels of administrative, political, bureaucratic and cultural powers appears generally supported in the Australian federation. Separated from mainland Australia by the 250 km stretch of Bass Strait, Tasmania is the smallest and most peripheral state in the federation, and is its only island member at that jurisdictional level. According to the Australian Bureau of Statistics (2005), the total area of the state—including its 334-plus offshore islands—is 68 102 km² or 0.9% of the total area of Australia.

Total imports were valued at AU\$669 million, while exports were valued at \$2317 million in 2003–04 (Australian Bureau of Statistics, 2005). Crucial to that outcome were agriculture and horticulture, mining, aquaculture and fisheries, and forestry, as well as the manufacturing that derives from those primary industries. For the same period expenditure by some 739 800 adult visitors to Tasmania was \$1073.5 million. It is useful to note at this point—in order to revisit below—that highly volatile debates often erupt around the direction of development in Tasmania. Tourism and property developments in particular are debated among the populace and raise questions about what it means to be Tasmanian and live on the island.

Isolation provides significant dividends to Tasmania via Commonwealth funding calculated to offset the disadvantages of peripherality more generally. Nevertheless, successive Tasmanian governments have avoided the term in marketing the state to national and international investors in tourism and property development, except where it is evocative of the 'island paradise'. To do so might be to emphasize the term's apparent disadvantages. Indeed, in Tourism Tasmania's (2004) *Tourism Development Kit* for prospective developers, the term does not appear, except implicitly as a burden to investment overcome:

For most of its history, Australia's smallest and most distinctive State was a secret shared by a select group of holidaymakers captivated by its unspoilt nature, charming heritage and island lifestyle. But Tasmania is a secret no

longer [and now its] island appeal is complemented by excellent sea and air access . . . With \$400 million worth of tourism development already underway or planned . . . Tasmania [is] one of the world's hottest holiday destinations. (Tasmanian Government, Tourism Tasmania, 2004)

In short, the use of isolation in federal fiscal negotiations and marketing for tourism and property development suggests a clear understanding by government of term's utility in the changing and competitive conditions of the market, and of the need to punctuate the island state's sameness and difference, its proximity and distance, *within* the Australian federation. This insight is worth exploring further, first by reference to the Bass Strait and then by considering recent conflicts over property development.

The Bass Strait Factor

In Australia the condition of each sub-national jurisdiction is regularly standardized, such that federation is constantly stabilized and the principles of fiscal equalization are upheld. This observation extends to a most distinguishing feature of Tasmania—the Bass Strait, which separates it from the mainland and marks it both as island and as isolated.⁴ Hence the State Government's introduction of the Tasmanian Freight Equalisation Scheme⁵ and the Bass Strait Passenger Vehicle Equalisation Scheme.

Implemented in September 1996, the Bass Strait Passenger Vehicle Equalisation Scheme is a rebate system to “reduce the cost disadvantage associated with transporting passenger vehicles across Bass Strait, thereby increasing passenger travel between Tasmania and the mainland, on what is essentially Tasmania's sea highway” (Addison, 2005, no page number). It is:

calculated on the basis of charging a net fare for an eligible passenger vehicle plus driver travelling in standard share accommodation, that is comparable to the notional cost of driving an equivalent distance on a highway . . . based upon the sea distance of 427 kilometres between the ports of Devonport [in Tasmania] and Melbourne [in Victoria] multiplied by an estimated running cost for an average family saloon . . . The rebate is an ‘up front’ subsidy . . . provided to the driver [*as a subsidy to the payable fare*] . . . [and funding] for the scheme is demand-driven. (Carlson, 1998, no page)

During the period between 1996 and 2002 the TT Line, a Tasmanian government business enterprise, received nearly 100% of Commonwealth Government subsidies to payable fares. It also commissioned a second ferry to be built, the *Spirit of Tasmania II*, implying that it owned and benefited from previous payments to *Spirit I* (Australian Government, Bureau of Transport and Regional Economics, 2004). Of the 1 070 334 adult passengers enumerated over the period, 652 234 (60%) were visitors and, of those, 52% were in Tasmania for holidays—thought to be a positive sign for tourism and the state's economy. Buoyed by these developments, the Tasmanian Government determined in 2004 to purchase a *Spirit of Tasmania III* to work between the island and Australia's largest and most popular tourist destination, the city of Sydney.

However, in March 2005 it was revealed that passenger and freight movements on the *Spirit III* had been grossly overestimated. The Tasmanian Department of Treasury and Finance has since calculated that accumulated losses on the Sydney service may amount to \$90 million in the period to 2011–12 (Tasmania Government, Department of Treasury and Finance, 2005). Were the service to cease, somewhere between 5000 and 10 000 visitors (representing \$10–\$20 million per annum) could be lost to the island. Yet its retention requires the Tasmanian government to provide a subsidy of \$145 million to its TT Line over the period to 2012, a figure of \$2500 per visitor, “far in excess of the average benefit tourists bring through their spending in Tasmania” (Tasmania Government, Department of Treasury and Finance, 2005, no page number).

It is noteworthy that the preferred advice of the Tasmanian Department of Treasury and Finance to sell *Spirit III* was rejected in favour of a subsidy programme. In defending the decision to keep the service in the Tasmanian House of Assembly on 15 March 2005, Premier Paul Lennon stated:

If we don't take on challenges, we'll stand still... We have something special here in Tasmania... We have a quality lifestyle and quality environment and we can share that with other Australians. *Spirit III* is a key part of that strategy... [and the] vision and determination to break into a new tourism market that led to [its purchase] remains valid... to retain *Spirit III* is an investment in our future—and in the future of generations to come. (Lennon, 2005, no page)⁶

This statement is a clear articulation of the New Tasmania, and it appears to invoke the conquest of isolation, summon up an image of Tasmania as a haven from the madness of places ‘off-island’, and pay tribute to the intergenerational benefits of engaging in the global market.

Yet for others in Tasmania isolation *must* be preserved if island life is to be protected from those mad other worlds. How, then, is isolation also deployed as a resource by which to combat that notion of the spatialization of governmental thought that emphasizes the perils of isomorphism, and shown in the New Tasmania?

Resisting Development in the New Tasmania Style

In February 2003 the then Premier Jim Bacon addressed delegates at the Second Global Summit on Peace through Tourism in Geneva. He remarked on the fact that:

We are islands of tremendous resourcefulness and innovation, creatively connected to a diverse and spectacular landscape... As a state of islands we are especially connected to other islands of the globe. We have an affinity with all who, like us, have experienced a painful past, and we are building a new connection with those blessed with a creative culture that nurtures our future. (Bacon, 2003, p. 1)

Bacon's discursive construction of Tasmania as coherent, significant and international performs much spatialized governmental work: the New Tasmania is a safe,

open, progressive and cosmopolitan location. It is an appropriate partner for any prospective other wishing to engage in the sophisticated transactions of globalization, deeply appealing as a destination, and to be understood as a 'spectacular' domain for investment. Such views stand in stark contrast to long-standing mainland caricatures of the state as an inward-looking mendicant or as permanently engaged in the plunder of the place. The latter was emphasized by Tasmanian author Richard Flanagan, who questioned the eulogizing of the premier after his death in mid-2004 by suggesting:

Tasmania remains the poorest state in the Commonwealth...its unique environment is being destroyed...its celebrated coast and world heritage areas are under attack from inappropriate tourist developments...its democracy has been left debased...Bacon's legacy was to hand Tasmania's economy and...direction over to...big businesses with too much influence, too much power and too little concern for ordinary Tasmanians. (Flanagan, 2004, no page number)

These observations exemplify a highly charged, alternative and resistant spatialization of governmental thought about Tasmania as a place for ordinary people. Such debates go to the heart of what it means to try and comprehend the consequence of various strategies and tactics of government that shape conduct and constitute regimes of truth about that being in place (Dean, 1999). On the one hand, for those who advocate the New Tasmania, the promise of development investment is incontrovertible, and its benefits should be capitalized upon. On the other, for those who question the values of the New Tasmania, the opposite holds: the risk of recreating Tasmania as part of the globalised 'everywhere the same' is too great to countenance.

Similar tensions are raised again in 'State of flux', a feature on Tasmania in the January 2005 issue of the broadsheet *Australian Financial Review Magazine*. It refers to a proposal by a mainland developer, Lang Walker Corporation, to construct a \$400 million suburb of 800 residences around canals, jetties and marinas in an internationally significant migratory bird conservation zone and village community known as Ralphs Bay (Neales, 2005). That sea-change development draws attention to two wider problems. First, similar plans by that corporation on the mainland have been criticized as unsustainable on social, economic and environmental grounds (*New South Wales Legislative Council Hansard*, 2004), and protestors concerned about the possible Tasmanian development suggested that the corporation came to see the island as an easy target—its state and some local governments, and some citizens eager for investment dollars to offset economic peripherality. Second, Australia's housing boom has inflated the Tasmanian property market and some Tasmanians have been pushed out of the market altogether (Tasmanian Council of Social Services (TasCOSS), 2005). As elaborated below, others are gravely concerned about what may happen to island life if coastal land continues to be privatized and alienated.

Located on the eastern shore of the Derwent River in the capital city of Hobart, Ralphs Bay has been the subject of major protests about development in Tasmania between 2003 and the present, after which Lang Walker Corporation temporarily

withdrew its proposal.⁷ During the period profoundly sovereigntist and highly spatialized sentiments have been articulated by key protesters against the corporation, sentiments that re-inscribe Tasmania's island status and certain values of social equity that have underpinned the national imaginary since federation:

the beach is our birthright as citizens of this island continent. At the ocean's edge we are all equal whatever our station in life, wherever we have come from. The laconic, easy going aspects of our national character have been shaped in part by the love of sand, sunshine and saltwater. We take it for granted that our coastline belongs to no one and it belongs to every one of us... It is our true common wealth. (O'Connor, 2004, no page number)

Neales then refers to Tasmania's position in the 1990s, when it was "haemorrhaging economically, socially and demographically" (2005, p. 28), and describes how, after 1998, it began aggressively to pursue international investment dollars, with the result that "80 per cent of Tasmanians now feel confident about the future. A place where there is a sense of excitement. Where we are no longer the butt of jokes, but are now the leaders" (Lennon, in Neales, 2005, p. 28).

Such optimism does not preclude the possibility that the New Tasmania is much like the old, described by Tasmanian and island scholar Peter Hay as follows: "if this government's New Tasmania is... about record investments in forestry, mineral extraction, urban coastal development and attracting new industry at any cost, then actually it is an old Tasmania of the sixties and seventies, and not a New Tasmania at all" (Hay, in Neales, 2005, p. 32a). During those decades Tasmanian governments and the Hydro Electric Commission, among others, were engaged in what has become known as hydro-industrialization—massive infrastructure projects involving the construction of dams in pristine wilderness areas. Walker (1999) suggests that such activities are symptomatic of 'statist developmentalism', the persistence, in policy, of which is aided by particular features in Australian government, not least among them "the political relationship of granter and grantee [which] has the effect of distorting project evaluation away from economic and ecological rationality towards political [rationality]" (Walker, 1999, p. 38). For Walker statist developmentalism in Tasmania has been especially parasitic.

In this light it is ironic that Tasmania is seen as special for its remarkable natural heritage, and for a population already characterized by an "unusually high proportion of writers, artists and artisans" (Neales, 2005, p. 32b). She quotes one such figure, the Tasmanian writer and publisher Lindsay Tuffin, who suggests that Premier Bacon:

[misunderstood] why locals love their island state... [and thought that] an unspoken 'pact'... has been smashed by government... [a pact that explains]... why many highly skilled professionals—the creative class—stayed in Tasmania, with its lower wages and higher living costs... you put up with Tasmania's dark gothic underbelly and less pay and fewer jobs, because you had access to these wonderful spots. [But the boom means that]... ordinary Tasmanians have been locked out... by this other big business vision of

Tasmania of the Bacon–Lennon government. (Tuffin, in Neales, 2005, pp. 32a–b)

For Tuffin, like Flanagan before him, Tasmanians and their uniquely *placed* ways of life are at stake. To open Tasmania for business in the manner planned, to elide the isolation factor, is to risk all.

Neales' article generated at least two further responses from the different perspectives of the development divide. One appeared in a major national financial broadsheet and was by the Chief Executive Officer of the Tourism Council of Tasmania, Daniel Leesong. His is a defence of the New Tasmania and the value of tourism developments to the state, and it questions the elitist nostalgia of those who would hold Tasmania back (Leesong, 2005). The other was a feature in Tasmania's *Island* magazine by 'ex-pat' Tasmanian writer, Natasha Cica. Hers, in contrast, was a lamentation on 'Turbo Tassie', an island exposed to the over-drive of globalization whose various factions had been struggling over such issues for generations (Cica, 2005, p. 10). As one of those who left the island because of the practices of 'Old Tasmania', she observed that:

Tasmania's political battles are not just internecine, they're intimate, and frequently incestuous... Reasons for this have included Tasmania's unusually small number of distinct family bloodlines and *the island's peculiar and extreme geographical isolation from real centres of population, political and economic power*. This paradoxical and parochial tolerance is the upside of... a sentimental tribalism born of living at the edge of the Western world, and near the bottom of its heap... [T]hings seem to be changing, now, even as some stay the same [and] Tasmania's now part of the wider world as never before [but]... I don't like a lot of the look, smell and taste of New Tasmania because it's making Tasmania look, smell and taste more like everywhere else. (Cica, 2005, pp. 11–14, emphasis added)

Final Remarks

Earlier I observed that intergovernmental relations in federal states can sometimes be typified by cooperative contest between and among national and sub-national jurisdictions, as each and all strive for a commonwealth of increase. At the same time internal relations between sub-national governments and their citizens can be difficult, and this can be particularly pronounced where the dynamics of the global marketplace affect local attachments to place. I also suggested that understanding how such relations influence our being in place also requires comprehending the outcomes of particular forms of conduct and regimes of truth, and the spatialization of governmental thought—especially that which privileges isomorphism.

In examining such matters I asked: how are Tasmanians using the isolated and island status of the jurisdiction as resources to negotiate the direction of development—and of tourism and property development above all. What does the creation of the New Tasmania mean in the context of globalization's homogenizing tendencies? What lessons might be afforded to the study of sub-national island

jurisdictions from this case? Some final observations related to these questions are now possible.

First, islands are important analytic categories in the study of governance and the spatialization of governmental thought. Sub-national island jurisdictions are also important and generally neglected categories in this task. There may be much to learn about globalization and its effects on island life by studying the resources that island peoples bring to bear in negotiating their real-and-imagined futures among themselves, with 'siblings' and 'parents', and with others beyond the sovereign state.

Second, in Australia the use of intergovernmental agreements on the distribution of Commonwealth funds to sub-national jurisdictions is based in part on so-called physical asymmetries and disabilities. Among these disabilities, the idea of isolation provides significant dividends to Tasmania, just as smallness and peripherality do to the ultra-peripheral regions of, for example, the European Union. In this calculus the Bass Strait—a powerful icon of the state's separation and island status—is a significant mechanism for the flow of funds and tourists. Isolation is also used in paradoxical fashion in marketing the state to national and international investors: explicitly as a burden now overcome in terms of transport infrastructure and fiscal equalization payments; and as metonymous for the best that islands have to offer. Yet there are those in Tasmania—not least among them significant members of the endogenous 'creative class'—who suggest that to open the New Tasmania to business and to share (and perhaps even sell) its isolated splendour is to expose to great risk the Tasmanian way of life. Identifying this differential deployment of 'islandness' and isolation pinpoints significant contradictions in the rhetorics of governance in Tasmania that provide lessons about the spatialization of governmental thought and the ways in which globalization is understood, accommodated and resisted.

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Notes

1. The commonwealth provides SPPs to influence "State expenditure priorities to satisfy national objectives . . . [and to] achieve performance equalisation" (Searle, 2002, p. 15). Untied GRGs comprise the "single largest avenue through which financial capacity is transferred" (Searle, 2002, p. 17). The commonwealth also transfers around AU\$1265 million each year to municipal governments via State Grants Commissions.
2. Fiscal imbalance among states varies from around 75% (Tasmania) to 114% (New South Wales) of the per capita Australian average. Variance arises from differentials in payroll tax, land revenue, stamp duty on conveyances and mining revenue.
3. The CGC is a small, independent advisory body established in 1933; it has no constitutional status and is an integral element of Australia's federal structure. Members are appointed by the commonwealth, after discussion with the states which have an informal right of veto over the three or four nominees.

Its first task is to decide what range of state-type services and areas of revenue-raising should be considered in the equalization assessments; and that is the subject of much jockeying (Searle, 2002, pp. 18–20).

4. Western Australia is 'islanded' from the southeastern hub of population and economic activity by desert, as is the Northern Territory. Other characteristics of statehood have variously affected other sub-national jurisdictions (Brown, 2004; Kline, 2002; Mathews, no date).
5. The TFES gives assistance to those shipping eligible non-bulk goods by sea. Different criteria of eligibility exist for ex-Tasmania and ex-mainland goods, and for people in special categories recognized in federal fiscal equalization considerations apparent through isolation. Consideration is given to those competing for prize money in sporting events, to professional entertainers, and to Tasmanian horse breeders. I do not elaborate further on the TFES in this paper.
6. On 5 June 2006, following successive months of declining patronage, the Premier, Paul Lennon, announced the sale of the *Spirit III*. The Chairman of the TT Line, Denis Roger, noted that the purchase price of \$111 million paid by European company Corsica Ferries was \$6 million greater than the original paid in Tasmania (*Courier Mail*, 2006; *The Age*, 2006).
7. On 2 September 2005, Walker Corporation announced that it would not proceed with the development at Ralphs Bay, and it was widely suggested that the withdrawal was partly prompted by concerns about its unpopularity and possible effects on the looming State election. Following Labor's return to power in March 2006, on 6 July, the development's possibility re-emerged when the Premier tabled a bill to give the proposal status as a project of State significance. The bill was being debated as the proofs of this article were being completed.

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