

Population Growth and the Democratic Deficit

Address by Kelvin Thomson, MP for Wills, to the Australian Capital Territory Branch of Sustainable Population Australia, Wednesday 10 February 2010

When I spoke in the Parliament in August last year about population I advanced two propositions – first that the **world's** population needed to be stabilised, and second that **Australia's** population needed to be stabilised. I called for a national debate on the population issue and the need for population reform.

I am pleased that in the six months since then there **has** been a population debate in this country. It is evident in the up swell in TV, radio and newspaper coverage devoted to this issue. It is evident in the number of e-mails, phone calls and letters my office receives every day about this issue. A number of my parliamentary colleagues have told me they are also being regularly contacted about this issue. It is evident in prominent Australians like Dick Smith raising the issue – I understand that at Mark O'Connor's launch of the Second Edition of his book *Overloading Australia*, not only Dick Smith but prominent Australians such as John Williamson, Ian Kiernan and Dr Tony Kidman were also present.

It is evident in the government making statements acknowledging the concerns we have been raising that the skilled migration and overseas student programs have got out of control.

I want to thank Sustainable Population Australia for its strong advocacy on this issue. February is Global Population Speak Out Month, and I urge you to keep speaking out. Your efforts have never been more important. I believe we can win this battle.

Global Population Speak Out is a project of the Washington DC based Population Institute, a world class leader in

- promoting world-wide voluntary family planning and reproductive health services
- educating foreign policymakers, administrators, media and the international public about sustainability and population issues, and
- recruiting and training tomorrow's population activists to address population issues both at home and abroad.

This month the Population Institute has assembled a formidable array of ecologists, biologists, academics and activists from all around the world to speak out on the need to address and remedy the size and growth of human population both internationally and in the home countries of all the participants.

There are two issues I want to talk about in some detail tonight. The first is the population ageing scare. You all know how it goes – Australia is getting older, we're going to end up with a massive number of old sickly Australians supported by a small overstretched workforce; we're going to have unsustainable expenditure on pensions, health care and aged care. It featured prominently in the recently released Third Intergenerational Report, where the ageing of the population is treated as a looming disaster. It is nothing of the kind. My message to you tonight about population and workforce ageing is simple – don't worry, be happy!

Why do I say that? First, because ageing is a sign of success, both individually and collectively. It beats the hell out of the alternative. Those societies which are the oldest are also the richest, healthiest and have the greatest life expectancy. Those societies which are the youngest are also the poorest, sickest, and have the lowest life expectancy.

Secondly, worrying about getting older devalues older people and the significant contributions older people make to our society. Research constantly shows that older people make a great contribution to our society providing child care and acting as mentors and role models. I barrack for Geelong AFL team, my parents barrack for Carlton. Guess who my son barracks for – Carlton, because his grandparents got to him in his formative years. Employers who whinge about not having enough workers to choose from forget to mention there has been a massive increase in womens' participation in the workforce in the past few decades and that having grandparents to look after the kids is often an important foundation of that. Older people have also been found to make more financial contributions to their children and grandchildren than the other way around; far from being a burden on us, they help out.

The third reason we should be happy about population and workforce ageing is that it will help us solve some of the most deep-rooted and serious problems we have in our society. In the first place, it will solve unemployment. I repeat, it will solve unemployment. The whole ageing workforce scare is based around the idea that the ageing of the workforce will lead to labour shortages. So what will happen then? Employers will give jobs to the 100,000 young Australians aged between 15 and 24 who dropped out of the workforce last year. A lot of people who are on the Disability Support Pension will find there are jobs for them. And our attempts to address aboriginal unemployment will suddenly become a whole lot more successful. And it will also be the case that older people themselves will be more active in the workforce. We are not just ageing; we are ageing healthier as well. You've heard about 40 as the new 30, well 70 is the new 60. Older people have great experience, and keeping their hand in through part-time, flexible, working arrangements will be good for them and good for the community.

Now I know it will be objected that these prospective workers may not have the skills to take these jobs. But to the extent this is true, it is a national disgrace and should not be tolerated.

Employers will take on employees and give them on the job training, and so they should. They have been trying to get out of putting any effort into training for years, but the rest of the community shouldn't aid and abet this. And Universities and TAFEs should focus on training young Australians, and should be given the funding necessary to do this.

I also know that it will be objected that as unemployment falls wages and salaries will rise, and that this will be inflationary. Now I think wages and salaries **will** rise, but where I part company with the objectors is that I don't accept that this is a bad thing. Every few weeks someone contacts my office to say, they would like to work, but when they look at the loss in pensions and benefits and family payments and the like, they would be worse off unless they are able to get a higher income than any of the jobs they are presently qualified to do. So luring them back into the workforce will involve more money. It is highly revealing that the Treasury Economic Roundup of December 2000, said "in response to the slowdown in the growth of the working age population, business may introduce incentives to retain existing workers, encourage them to increase the number of hours they work or defer their retirement, and to attract additional workers into the workforce. These incentives could take the form of higher real wages or other non-pecuniary benefits such as the opportunity to work from home, part-time hours for those full-time workers considering retirement, or more generous maternity leave arrangements."

So there you have it, folks. This is the catastrophe that awaits us if we don't act to increase the population – higher real wages, working from home, part-time options, more generous maternity leave arrangements! What a disaster!

I think that the role of workforce ageing in reducing unemployment is to be welcomed. I think rising incomes is a good thing. I know that there will be economists who think that lower unemployment will be inflationary, and who like to talk about a natural rate of unemployment as if we shouldn't try to achieve full employment.

I think that economists who talk like this do the community and the nation a disservice. And I cannot for the life of me understand why there is agitation about rising incomes, as a consequence of population ageing, when there is no agitation about rising food prices, water bills, land prices, petrol, electricity and just about everything else you can think of, as a consequence of population growth.

A few weeks ago I and lots of my constituents received a much increased gas bill which was explained by the gas company as needed by the requirement to expand the network to meet rising demand.

So price rises caused by population growth are apparently **alright**, but price rises caused by population ageing are apparently **not** alright! It is nonsense and no-one should be fooled by it.

Solving unemployment would be a fantastic thing. I draw your attention to a book written in the mid-1970's by E.F. Schumacher, "Small is Beautiful – Economics as if People Mattered". He makes a powerful case for full employment. He says character is formed primarily by a man's work. He says someone who has no chance of obtaining work is in a desperate position, not only for lacking income but also for lack of the nourishing and enlivening factor of disciplined work. He says that the view of modern economists that it might be more economic to run an economy at less than full employment to ensure greater mobility of labour and stability of wages, is to consider **goods** as more important than **people**, and shifts the emphasis from the worker to the **product** of work.

He is right. We should not accept unemployment as inevitable.

And there's more. Solving unemployment will also take us a long way down the road of solving other critical social ills – drugs, crime, and indigenous disadvantage. This week a Geelong AFL footballer – did I mention I support Geelong – got into difficulties. What did the Club tell him? Get a job. Not rocket science. The role of work in building dignity and social inclusion is very important. Don't worry about falling unemployment, be happy!

The proponents of the ageing population scare use it as justification for our runaway migration- record population growth of 440,000 last year was driven by massive net overseas migration of 285,000. The number of migrants, overseas students and long-term workers was up 15% compared with 2007-08.

There are so many flaws in this argument I sometimes wonder where to start. First, research indicates that migrants age at the rate of one year per annum, the same rate as everyone else, so it is not immediately clear how bringing in more migrants helps.

The more migrants we bring in, the more older people we will have to look after further down the road. If the idea is that we will bring in still more migrants to look after them, this is just a giant Pyramid scheme – sooner or later it's going to collapse. It's a fraud.

This issue has been studied in some detail in Britain. In 2003 the House of Lords Economics Committee concluded that “it is neither appropriate nor feasible to attempt to counter the trend towards a more aged society in the UK through a manipulation of immigration policy”.

In 2004 the United Nations World Economic and Social Survey said that “incoming migration (to Europe) would have to expand at virtually impossible rates to offset declining support ratios, that is, workers per retiree”.

In 2008 the Select Committee on Economic Affairs of the House of Lords concluded that “Arguments in favour of high immigration to defuse the “pensions time bomb” do not stand up to scrutiny as they are based on the unreasonable assumption of a static retirement age as people live longer, and ignore the fact that, in time, immigrants too will grow old and draw pensions”.

Migration Watch UK has calculated that keeping the Potential Support Ratio to present levels would require a growing number of migrants rising to 5 million per year later this century. This would increase the UK population to 119 million by 2051 and 303 million by the end of the century and so on to the stratosphere.

In Australia former Prime Minister John Howard admitted that “Even if we were to treble or quadruple our immigration rate over the next decade or so, its impact by the middle of this century on the ageing process of the population would be relatively minimal”.

There’s no doubt that an ageing population brings with it challenges which need to be attended to – notably in the areas of health and aged care. But the idea that population growth will help us meet these challenges is, in my view, utterly misconceived.

Meeting the needs of a growing population absorbs and saps our political energy. It requires a lot of money – money for transport infrastructure, money for new electricity and energy infrastructure, money for water infrastructure like desalination plants. And building these things requires effort – effort from the private sector, effort from public servants, effort from politicians. There are decisions to be made, conflicts to be resolved.

I have here a Fact Sheet from the City of Wyndham, on Melbourne's western boundary. In 2009, there was a 15% increase in births compared with 2008. The residential population is set to exceed 286,000 persons by 2026 and 321,000 by 2031. Wyndham has a population under 25 years estimated at 38% of total population. It will require an additional 5-6 multi-purpose community facilities and 25-30 sporting ovals over the next 10 years. The Council sheet has 5 exclamation marks. It's not so much a Fact Sheet as a Plea for Mercy from a snowed under Town Hall.

This effort comes with an opportunity cost. If we were not so preoccupied with meeting the needs of a growing population we would be more focussed and much better able to meet the needs of an ageing one. Population ageing is not being **cured** by population growth, it is yet another **casualty** of it – another problem we're all too busy to really get to the bottom of, another symptom of the democratic deficit, which is the issue I now wish to turn to.

The second issue I want to talk about tonight concerns population growth and the democratic deficit. As population grows, democracy shrinks. Let me give you a few examples of how this works in practice.

Back in the 1980s I was a Councillor representing the North Ward of the City of Coburg. It had around 6000 voters. I and the other Councillors who represented similar –sized areas were able to have a very close engagement with our residents. No matter what the size of the problem, we were usually able to give it some attention.

Then Jeff Kennett amalgamated Victorian Councils, and the new City of Moreland took over the area of Coburg, Brunswick and two wards of Broadmeadows Council. Each of the ten Councillors now had to look after around 10,000 voters. Then the Council decided to turn its 10 single wards into three multi-member wards. Now a Moreland Councillor represents more like 35,000 voters.

The relationship between the voters and their elected representatives has weakened, and voters often complain about it to me. It's not that the councillors are lazy; it's simply that the number of people they now represent is too large to allow for the personalised attention that used to be the order of the day.

The bigger electorates mean that Councillors simply don't have the time to deal with every problem, nor do they have to – the views of any given street are not as important as they used to be when the wards were small.

Something similar applies to Ministers in States and nations with growing populations. Ministers seldom have the time to see individual constituents, and sometimes don't even have the time to see community groups and organisations. It's not that they're lazy – far from it, you only have to read out the titles of some Ministers to suspect they're working 18 hour days, but there are too many people and too many problems for Ministers to be able to give them personalised or thorough attention.

Professor Albert Bartlett, Professor of Physics at the University of Colorado, at Boulder, wrote a book called "The Essential Exponential for the Future of our Planet", with a chapter called "Democracy Cannot Survive Overpopulation". He says when he moved to Boulder in 1950 the population was 20,000 and there were 9 councillors. Now Boulder's population is 100,000, and there are still 9 councillors.

He says "in effect today we only have 20% of the democracy we used to have in 1950", because it's harder for the individual to have access to a representative. He points out that originally the US Congress had 30,000 constituents per member of Congress; it's now gone to 700,000 constituents per member of congress.

He says there's no way you can represent that many people, so it's much easier as a politician to take your ideas from the lobbyist who has plenty of money. He says "As a result we now often get one dollar one vote versus what used to be one person one vote". He says there's a crowding out effect – in a time of many important issues – global warming, health care, financial crisis – people are alienated.

He's from the US of course, which looks to me as if it's becoming increasingly ungovernable. George W. Bush lost the confidence of an electorate which turned on him for failing to solve the nation's problems, and turned to Barack Obama, who said "Yes, we can". Now there are signals that the electorate is dissatisfied because the problems are still there. Might it not be that in a country as large, diverse and growing as the United States, the problems are pretty much impossible to solve? That leaders, Governments, politicians, their energy sapped by trying to solve the problems caused by a large and rising population, simply end up opting for spin over substance, skating over the top of problems rather than actually putting in the detailed effort necessary to solve them. That in the modern era, with its twenty four/seven media cycle, it is possible to get elected without solving problems provided you can use the media to get across three messages – first, that your heart's in the right place, second, that you're working as hard as you can, and third and most importantly, that the other mob would be worse.

Two further observations about population and the democratic deficit.

The first is that I think it is generally, though not universally, true that countries with large growing populations have struggled to be democratic, and that countries with small stable populations have generally, though not universally, been more successful at establishing and maintaining a healthy democracy.

Last night we learned that in the Philippines, which has a rapidly growing population, 196 people have been charged with murder following the barbaric massacre of a rival political family which saw 57 people murdered, women shot in the genitals and passers-by murdered in order to eliminate witnesses.

The second observation is that there is an express and relentless attack going on against the democratic rights of residents to have a say in planning decisions made in their neighbourhoods. I mentioned the previous Victorian Government amalgamated Councils in the early 1990s. I have no doubt it was in part intended to reduce the say of individual residents, streets and neighbourhoods, in planning decisions and it has indeed had that effect. And Councils which do try to make decisions in accordance with their residents' wishes find themselves over-ridden by State Government planning laws and regulations. State Governments "call in" projects and make decisions far removed from the views of residents.

So what can we do about the population-driven democratic deficit?

First, we should not agree to surrender any of our rights, especially over planning decisions. Do not be seduced or sucked in by appeals to unselfishness made with all the sincerity of a Mississippi river boat gambler by property developers who are themselves utterly selfish and not content with mere multi-millionaire status. "Not in my backyard" is perfectly justified, provided you don't try to foist it elsewhere. Defending the Australian way of life we now enjoy is no sin, it is patriotic virtue.

Secondly, fight for democratic accountability. There should be campaign donation reform. There should be electoral law reform. New South Wales has moved to prohibit parliamentarians, local government councillors and political parties from accepting donations from property developers. I think there should be more of this type of legislation.

Third, we need to understand and tackle the real cause of the problem – population growth. Last year I outlined a 14 Point Plan for Population Reform. It's received a lot of support from the public. At its heart, Point One, is a proposal to stabilise Australia's population at 26 million by 2050 by cutting net overseas migration to 70,000 per annum.

The next 10 points add detail about how we can stabilise Australia's population.

2. Cut the skilled migration program to 25,000 per annum.
3. Hold the family reunion program at 50,000 per annum.
4. Increase the refugee program from 13,750 to 20,000 per annum.
5. Alter the refugee criteria to include provision for genuine climate refugees.
6. The revised number of annual permanent arrivals from these programs would be 95,000 – 50,000 family reunion plus 25,000 skilled plus 20,000 refugees. Two more factors need to be considered – the number of people departing permanently from Australia, and the number of people arriving permanently from New Zealand. To reach a net overseas annual migration target of 70,000, the number of automatic places available for New Zealanders needs to be restricted to the number of departures from Australia over and above 25,000. The Trans Tasman Travel Arrangement would be renegotiated to achieve this, splitting available places for New Zealanders equally between skilled migrants and family reunion, and allowing New Zealanders to also apply and compete with other applicants under these normal migration programs.
7. Reduce temporary migration to Australia by restricting sub-class 457 temporary entry visas to medical and health related and professional engineering occupations.

8. Require overseas students to return to their country of origin and complete a two-year cooling off period before being eligible to apply for permanent residence.
9. Abolish the Baby Bonus.
10. Restrict Large Family Supplement and Family Tax Benefit A for third and subsequent children to those presently receiving them.
11. Dedicate the savings from abolishing the Baby Bonus and reduced expenditure on Family Payments for third and subsequent children towards increased investment in domestic skills and training through Universities and TAFEs.

The final three points go to how we can play a role in helping stabilise global population.

12. Increase Australia's aid to meet the United Nations target of 0.7% of Gross National Income with money saved by abolishing Fringe Benefits Tax concessions for company cars, and greater use of off-the-shelf purchases in defence equipment purchases.
13. Use more of Australia's aid budget for educating girls and women, and for better access to family planning and maternal child health, and advocate in the United Nations and international fora for other countries to do likewise.
14. Put overpopulation on the Agenda for international Climate Change talks.

It's not anti-migration; we'd still have net migration at levels that we frequently had in the 1970s and 1980s.

It increases places for refugees and increases overseas aid to meet the United Nations 0.7% of Gross National Income target. Most importantly it shows there's nothing inevitable about a population of 35 million for Australia.

The population we end up with has everything to do with the migration numbers we choose. We as a country decide what level of population we have. There is nothing inevitable about it.

So let's keep pushing on this issue. Let's resolve that we will not become a hovercraft democracy, where politicians glide over the surface, too busy and too remote for genuine engagement with the people.

So in conclusion, if you only remember two things from tonight, please remember these two – first, population ageing, - don't worry, be happy.

Second – don't settle for a hovercraft democracy. Australia pioneered a lot of democratic reform and democratic culture. Let's not allow real democracy to be crowded out of our lives.

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