

AUSTRALIA'S POPULATION – WHAT IS REALLY SUSTAINABLE?
**Speech by Kelvin Thomson, Federal Member for Wills, to Sustainable
Population Australia (Queensland), 13 March, 2010**

In August last year I gave a speech to the Parliament which advanced two propositions. First that the world needed to stabilize its population. Second, that Australia needed to stabilize its population.

In that speech I said that there were plenty of problems in the world – global warming, food shortages, water shortages, housing affordability, overcrowded cities, transport congestion, fisheries collapse, species extinctions, increasing prices, waste and terrorism. And I said that every one of those problems is either caused by or exacerbated by the global population explosion.

You are never going to successfully tackle those problems unless you're prepared to face up to the real cause of them – skyrocketing population growth.

Then in September the Federal Government released new Treasury figures showing that our population would be 35 million by 2049. This was a big jump from the previous projection of 28 million by 2049, made only a couple of years earlier. A number of experts believe the 35 million estimate is actually an underestimate. They say that unless our present rate of population growth slows down we would actually get more like 42 million by 2050. The Government is now referring to 36 million by 2050.

My response to the 35 million announcement was to say that this was a recipe for environmental disaster, and to express four key objections to a 35 million population for Australia.

First, the impact of a 60% increase in Australia's population on our native wildlife will be catastrophic. Already over 200 species of Australia's birds are under threat – 30% of our 760 species. It's not just the habitat destruction caused by spreading suburbs, though that's serious enough. It's also habitat destruction from agriculture and the impact on our river systems, which are already in a state of poor health.

Secondly, what about carbon emissions? The Government has promised to cut carbon emissions by 60% over the next 40 years, and all the science is saying we need to cut them by 80% to tackle global warming. How are we supposed to do that if our population is going up by 60% at the same time? It's pretty hard to reduce your carbon footprint when you keep adding more feet.

Third, there's the impact on the availability of food, water, energy and land. These things are already stretched and a 60% population increase will only drive up the prices of these essentials, and lower our living standards.

And fourth, what about the impact on our major cities like Sydney, Melbourne, and Brisbane. Declining housing affordability, traffic congestion, overcrowded concrete jungles. I don't want my city of Melbourne to become Mexico City, or Karachi, or Shanghai. I'd be surprised if people in Sydney or Brisbane want that either.

Another 14 million people will not give us a richer country, it will spread our mineral wealth more thinly and give us a poorer one. It will make a mockery of our obligation to pass on to our children a world in as good a condition as the one our grandparents gave to us.

A lot of people agree with me that a population of 35 million is not a good thing for Australia – opinion polls show 2 out of 3 think it's a bad idea. People don't want it.

But a lot of people think it's inevitable, that there's nothing we can do about it. This is simply not true. The population number we end up with depends on our net overseas migration number. The key reason our population has been skyrocketing is because that number has gone up from the 70,000 it used to be to last year being 280,000.

So to show that there is an alternative, in November last year I released a 14 point plan for population reform, a plan to stabilize Australia's population.

1. Stabilise Australia's population at 26 million by cutting the net overseas migration program to 70,000 per annum.
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 subclass 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 stabilize global population.

- Point 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.
- Point 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.
- Point 14: Put overpopulation on the Agenda for International Climate Change talks.

So there is an alternative to runaway population growth. To recap, reduce our annual net migration intake to 70,000 per annum, reduce our skilled migrant intake to 25,000 per year, abolish the Baby Bonus, restrict the Family Tax Benefit for third and subsequent children to those already receiving it, use the money saved from revising these payments to increase University and TAFE places for young Australians, restrict subclass 457 temporary entry permits, and require overseas students to return to their country of origin for two years before applying for permanent residence. We can and should be compassionate international citizens, increasing our foreign aid budget to 0.7% of GDP and increasing our refugee intake from 13,750 to 20,000.

I have received very strong public support for this Plan, and I thank Sustainable Population Australia for the work it has done in generating debate around this Plan. In November I spoke to SPA's Victorian Branch, and I used that speech to expose the arguments in favour of rising population for the myths they are. First, that we need a bigger population to drive economic growth and prosperity. Not true. Eight of the top 10 nations in terms of per person GDP have population of less than 10 million. Second,

that population growth will tackle population ageing. In fact workforce ageing will lead to lower unemployment and higher real incomes.

Third, that we should aspire to a big Australia. I think a country that fills up its wide-open spaces with suburbs and traffic lights and retail franchisees is not a bigger country, it's a shrinking one.

Fourth, that we're not overcrowded compared to other countries. True, but why do we have to copy them. Boatloads of people risk death to come to Australia because we're a better place to live than our more crowded neighbours.

Fifth, that population growth will give us more weight in international forums. I believe that power for its own sake is over-rated. The power and influence I want for Australia is the power and influence which comes from setting a good example.

Sixth, specifically in relation to migration, that high migration is evidence of compassion, and a duty we owe to people around the world less fortunate than ourselves.

I am all in favour of compassion, and have proposed a 45% increase in our refugee intake from 13,750 to 20,000. But skilled migrants is actually Australia being selfish – to the extent that skilled migrants are skilled we are actually raiding the countries from which they come, and denuding them of skills.

And be very wary of appeals to our better nature when the outcome of those appeals is not a better Australia or a better world, and when those appealing to us to be unselfish are in fact being utterly selfish themselves, putting their corporate bottom line and personal financial interests ahead of everything else.

I am not in favour of greed, I am not in favour of ripping off and exploiting those less fortunate than ourselves, but I believe we are entitled to fight to protect our standard of living and the Australian way of life. Don't be conned into giving these things up by appeals to selflessness made with all the sincerity of a Mississippi riverboat gambler.

And the final myth I tackled was the myth was that it will all take care of itself. I used to believe the demographers who said this,

but it never does. It won't magically stop when it gets to 36 million; it will keep right on going – a pyramid scheme.

And in February I spoke to the ACT Branch of Sustainable Population Australia and focused on two things – population ageing, and population and the democratic deficit. On population ageing I said “Don't worry, be happy”. Right around the world older societies are richer and healthier and have better life expectancy than younger ones, and older people are an asset, not a burden, on society.

And on the democratic deficit, I said that leaders, Governments, politicians, their energy sapped by trying to solve the problems caused by large and rising populations, 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. Let's not settle for a hovercraft democracy. Let's not allow real democracy to be crowded out of our lives.

Today I want to zero in on the issue of housing affordability. Australia used to be the envy of the world in terms of its levels of home ownership. It was the place where everyone could aspire to a home of your own. Now housing in Australia's major cities - Brisbane included – is as unaffordable as just about anywhere in the world.

When I was 25, I put down a deposit and took out a loan to buy a house. The 25 year olds of today don't have the same opportunity. Young people who can afford to buy a home now are as rare as rocking horse manure.

This is a shame. Saving for a home and repaying a home loan gives people financial discipline.

During 2009 housing affordability around Australia declined by over 22% due to a massive gap between the number of dwellings being built and the number of new people wanting housing. The Housing Industry Association says: Australia's fast growing population is pushing new dwelling requirements to record high levels. It predicts around 152,000 new dwellings will be commenced in 2010, well short of the 190,000 it estimates is required to keep up with a growing population.

The inevitable consequence of this gap is rising house prices and rising interest rates. We had another interest rate rise recently, off the back of surging house prices, and experts are predicting more.

Australians now owe financial institutions more than \$1 trillion in housing mortgages, almost 15 times as much as 20 years ago according to the Reserve Bank. Household debt as a proportion of household income was a large 109% in 2002, in just seven years by 2009 it had risen to a whopping 152%.

Forecasters are predicting that mortgage holders will be paying 43% of their income to cover repayments by the end of the year. The property monitor RP Data expects investors to move into the market and sustain prices as first home buyers retreat.

Rising interest rates claw away at already poor housing affordability and will send Australians deeper into debt.

Runaway population growth is damaging our young people's chances of buying a home. Our children's chances of buying their own home are fading away, and unless we take steps to tackle runaway population growth, they will disappear.

Another sacred cow it is high time we slayed is that rising house prices is a good thing. It isn't. Unfortunately all the public commentary reports rising house prices in a positive light – eg Melbourne outperformed Sydney last quarter, or vice-versa, prices experienced strong growth or were weak, etc. Recently I was approached by an Italian pensioner who has lived in a street in Pascoe Vale for over 50 years. He was highly distressed about his Council rate bill, which he can't afford to pay. It is based on a property valuation of nearly \$1 million. He says after he pays the rates, he will have no money for food. He will have his house, but he can't eat his house. Now there will be economists jumping up to say, he should sell his house. But if he sells his house, he will still need to find somewhere to live. And he doesn't want to sell his house. He's lived there over 50 years. All he wants is to quietly live out the rest of his life there. If he is forced to sell, what that means is that he can no longer afford to live in a place he used to be able to live in.

Some people think this is progress, but that is not the way it strikes him.

The fact is that housing is a necessity, like food, water, electricity and petrol. No-one cheers when the price of food, water, electricity and petrol goes up. Why should we cheer when the price of a house goes up?

That cheering drowns out the quiet, sad shrug of a generation being locked out of the opportunities which my generation and the ones before me had the good fortune to have.

The property developers and real estate industry talk about declining housing affordability too, but their solutions are always on the supply side. They want new suburbs on the urban fringe. Never mind the traffic congestion and loss of market gardens and open space this urban sprawl causes.

And they want infill housing and high rise housing: Never mind that this housing is of a poorer standard that we got to live in, killing off all our backyards, or that it diminishes the quality of life in inner suburbs, turning them to soulless concrete jungles where it's unwise to go out at night. My city of Melbourne now has very serious problems of knife crime and alcohol-fuelled violence.

One wealthy Sydney property developer said he thought Sydney should re-think the need for its magnificent ring of National Parks. The land is too valuable now to be the province of just birds and plants and animals, he thinks.

The way it seems to me is that if we can no longer afford the beautiful National Parks and their striking array of native wildlife, we are not better off than we used to be, we're worse off.

The south-east corner of Queensland has been growing extremely rapidly, and infrastructure growth has not kept pace with population growth.

You live with this reality every day, so you scarcely need a southerner like me to tell you about it. But I do want to point out how this is inherent in the system, rather than the fault of this or

that Federal, State, or local government, using a recent analysis by Jane O'Sullivan from the University of Queensland.

Ms O'Sullivan says that in a stable population, infrastructure needs to include replacing worn-out facilities and modernizing items whose technology or design has been superseded. Using a cost-weighted average lifespan for infrastructure of 50 years, Ms O'Sullivan says there is a need to replace no more than 2% of all infrastructure annually.

But if population is growing at 2%, we have to expand our entire stock of infrastructure every year by 2%. This doubles the annual requirement for creating infrastructure, compared with a stable population – 2% replacement plus 2% addition.

So doubling our population growth within a decade imposes a 33% or greater hike in infrastructure funding. This is extremely costly. Using USA data, MIT economist Lester Thurow estimated that it required 12.5% of GDP to expand capacity at 1% per year.

Ms O'Sullivan says that 2% population growth each year means that 25% of GDP is being used to expand capacity to accommodate people who aren't yet here. That means that the GDP per capita available to serve current residents is 25% less than the advertised per capita GDP.

As Ms O'Sullivan points out, the loss of 25% of GDP to accommodate population growth makes the 2010 Intergenerational Report's estimate of 4.1% of GDP needed for extra health care by 2050 a drop in the ocean. 4.1% of GDP by 2050 = 0.8% of GDP each year. 0.8% versus 25%! And of the 0.8% of GDP in extra health care and aged care, only 40% is attributable to ageing, much of it comes from technological advances in health care.

And the costs to business and motorists of infrastructure failing to keep pace are massive.

Last week Infrastructure Australia released a report warning that the costs associated with road congestion will double from \$9.4 billion in 2005 to \$20.4 billion by 2020.

The city which faces the steepest rise in congestion costs turns out to be Brisbane, up 74% to an average unit cost of more than 11 cents per kilometer by 2020, the report finds.

Infrastructure issues go far beyond roads, of course. There is water. There has been a highly divisive debate in south-east Queensland about a proposed new dam on the Mary River, which would have threatened lungfish and turtles. The Queensland Water Commission is advocating that residents restrict their water use to 230 or perhaps 200 litres per day. But of course there's no point getting people to restrict their personal water consumption if the benefit of this is undone by a rapidly expanding population.

And rapid population growth is also having a detrimental impact on south-east Queensland's wonderful wildlife. State Government figures from May 2009 showed koala numbers in the Redland and Logan areas halved from 4611 in 2006 to 2279 in 2008. Some scientists have expressed concern that koalas could be extinct in urban areas within 20 years.

I welcome the initiatives from the Redland Shire Council and the Local Government Association of Queensland about the need for a population policy for Queensland. We need not only a Queensland population policy, we need a national population policy.

It is local government who are often at the sharp end when it comes to the consequences of runaway population growth. Not simply in terms of trying to deal with the infrastructure load, but in handling the planning conflicts which arise from increased population density. It was reported in January that Brisbane will require, every year, 60-80 buildings of 20 storeys to cater for the projected growth.

First, I am a fan of the suburban backyard. There is something intangible but important about the personal space of a backyard. I believe the children who grow up in concrete jungle suburbs are subject to more bullying and harassment and are more vulnerable to traps such as crime and drugs.

What do you call a kid in a backyard? A free range kid. I think free range kids have a better time of it than battery kids.

Secondly I lament the decline of local democracy and local community say in planning issues which accompanies rapid population growth. It is OK to say, Not in My Backyard! We do have rights and should have rights, concerning the kind of neighbourhood, the kind of community we live in. But when we seek to exercise those rights, it should not be at someone else's expense, and that is what population stabilization is all about. It means no-one has to lose their neighbourhood character, no-one has to lose their open space.

So I urge everyone here to take up the cause of population reform. Take it up with your friends and neighbours, take it up with your political representatives, take it up with the media. Don't believe we need population growth; we don't. Don't believe it's inevitable, it's not. Do believe this is a battle which can be won. It can.

I said six months ago Australia needed to have a debate about population, and inch by inch it is happening.

Two out of three people don't want 35 million for Australia. I congratulate Sustainable Population Australia on its work and encourage you to join it and get involved in this work.

There is scarcely any cause more important in discharging our obligation to pass on a world, and an Australian way of life, in as good a condition as was given to us.

Kelvin Thomson MP
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