



MELBOURNE'S POPULATION: 5 MILLION IS TOO MANY

Speech by Kelvin Thomson, Member for Wills
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In July last year I made a 22 page submission to the Victorian Government titled "5 Million is too many: Securing the Social and Environmental Future of Melbourne". So given that I think 5 million would be too many, you can imagine what I think of the idea of doubling Melbourne's population to 8 million.

Melbourne's population is growing on a scale not seen in Australia before, swelling by almost 150,000 people in the last two years. Melbourne's population is growing by more than 200 people per day, 1500 per week, 75,000 per year. This is much faster than all other major Australian cities. It will give us another million people in 15 years.

The national rate of population growth has sped up since the mid 2000s. The recent growth rate of 2% per year is faster than at any other time in decades, and faster than nearly every other developed country.

Is this population growth good? Well it's certainly not much good for the birds, plants and animals. This year Melbourne's Urban Growth Boundary was expanded by 43,000 hectares; which is roughly the size of four Phillip Islands.

This will allow the destruction of 7,000 hectares of volcanic plains grassland, and nearly 1000 hectares of grassy woodland. Since European settlement over 95% of Victoria's original native grassland has been destroyed. I believe we should be protecting the less than 5% we still have.

And it's hard to see how extra population is good for people, either. Expanding the Urban Growth Boundary contradicts the Melbourne 2030 Plan. Melbourne 2030 was justified in the name of stopping urban sprawl. It hasn't. Suburbs continue to march out onto the horizon.

Property developers are having their cake and eating it too. We're growing both upward and outwards. Melbourne is becoming an obese, hardened-artery parody of its former self.

At the current rate of car possession per household, Melbourne will add a further 1.1 million cars by 2036, or well above 3 million cars in Melbourne. Does anyone in this room seriously think moving around in Melbourne is going to get anything but harder? We presently have 2 million cars; we are heading for an extra million! And yes, we should be virtuous and get out of our cars and onto trams and trains, but, as it turns out, they're full too.

Melbourne's population growth is bad for the environment. We all know we need to reduce our carbon emissions, but its pretty hard to reduce your carbon footprint when you keep adding more feet.

We are using less water than we used to, but we still have to turn to energy-hungry desalination to cater for our growing population. And Melbourne's 75,000 extra people every year undermines the value of the water restrictions we put on ourselves. Growing population puts upward pressure on prices and lowers our standard of living. Scarce resources like land, water, petrol, electricity become dearer, as we turn to more expensive sources of supply. Competition for food and housing pushes food and housing prices up.

These cost of living pressures are most clearly evident in electricity and gas prices and council rates. The most populated cities, Melbourne and Sydney, have seen the highest electricity price rises. Prices have more than doubled in the past 10 years. In real terms, Melbourne prices have risen by over 50% - 52%. So have Sydney's – 51%.

Now you might think that more people – a growing population – would lead to economies of scale and lead to lower electricity prices, but you would be wrong.

Instead of rising population causing lower prices, it leads to a need for extra infrastructure and therefore higher prices. And the more crowded a city becomes, the higher the cost of doing business. Congestion costs kick in, and just maintaining electricity infrastructure becomes more expensive.

Rising population is putting upward pressure on water and gas prices. We've already got at the easy water, and the easy gas.

Augmenting our supplies involves things like desalination plants and pipelines, which come at greater expense than our present supplies. It is a similar unhappy story with local council rates. I always expected that more people in my municipality would lead to lower rate bills, due to economies of scale, and more people sharing the rate load. The opposite has been the case.

In nominal terms Council rates in Melbourne have increased by over 100% - more than doubled – from 2000 to 2010. In real terms rates have increased over 48%. Regrettably this pattern of increasing rates is set to continue. Victorians will pay an average of \$79 more in their rates in 2010-2011, up by over 6% from last year, based on draft Council budgets. This is well above the CPI, and again underscores the impact of rising population on local government finances. These costs of population growth – rising electricity prices, rising water prices, rising gas prices, rising Council rates – are being borne most of all by those who can least afford them – fixed income earners and pensioners in particular.

Now the growth lobby has to concede pretty much everything I've just said, but they say the problems are poor planning and lack of provision of infrastructure. If you scratch below the surface, they think its all about multi-unit developments, dual occupancies, and increasingly high rise.

Now the first problem with high rise is that it doesn't do what its claimed to do; that is, reduce our environmental footprint. The Australian Government's State of Australian Cities Report 2010 found that, when both direct and indirect environmental impacts are taken into account, environmental impacts at the household level are associated with higher incomes and smaller household sizes.

Therefore, despite the opportunities for efficiency and reduced environmental impacts offered by more compact forms of urban living, inner city households of capital cities, followed by the inner suburban areas, feature the highest consumption of water use, energy use and ecological footprints, even when reduced car use is taken into account.

The second problem is that high rise and infill spells the death of the suburban backyard. I confess to being a fan of it. 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 with a backyard? A free range kid. I think free range kids have a better time of it than battery kids.

The third problem is that not everyone wants to live next door to high rise or multi-unit developments, but these things are imposed on them anyway. In Dick Smith's film 'Population Puzzle', you will see the story of the dignified elderly widow in Sydney – I think it is in Double Bay – who refused to sell her home to property developers who wanted to build a skyscraper on it. She found herself surrounded by skyscraper developments which dwarfed her home and blocked out the sun.

The fourth problem is the issue of health. In April the Medical Journal of Australia published a study which found heart disease, diabetes, chronic neck and back pain, asthma and migraine were less prevalent among those with more green space available to them. There was a very strong correlation between lack of green space and depression and anxiety disorders. Those living in more built-up areas are at an increased risk of developing schizophrenia.

Another study found urban sprawl in Sydney was linked to a greater likelihood of being overweight or obese, and inadequate physical activity. Physical inactivity is a major risk factor for type 2 diabetes, cardiovascular disease, and some types of cancer.

I want to turn now to two matters which have featured recently in the news. You know that the growth lobby says that Australia is short of workers – to be precise they say 'Australia has a skills shortage' for which their solution is to import more labour. Yet a fortnight ago it was reported that Broadmeadows has an unemployment rate of 15.9% - I repeat 15.9%. Broadmeadows is just beyond the northern boundary of my electorate and I know it very well.

According to the 2006 Census, of the people in Broadmeadows aged 25 and over, over 50% were born in non-English speaking countries – over 50%. And for men aged 25-44, over 47% of the Non-English Speaking Country born reported income of less than \$399 per week. This is entrenched unemployment, poverty, and disadvantage.

Now if we continue running a high migration program, they might go and work in iron ore mines in the Pilbara, but the evidence isn't promising. It suggests that significant numbers will simply get caught up in a cycle of unemployment, poverty and disadvantage, as has happened in Broadmeadows.

So I suggest, before we succumb to the wailing of employers crying "skills shortage", we put our talents to finding work for those 15.9% unemployed in Broadmeadows who are entitled to our attention. I don't care whether we find them work in Broadmeadows or in the Pilbara, but let's not talk about skills shortage again until we've got them into the workplace.

And the second item in the news recently was the latest rise in interest rates. 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 their own. Now housing in Melbourne is as unaffordable as just about anywhere in the world.

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 predicted 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 which, combined with the rising electricity, gas, water, council rates, I described earlier, pushes the Reserve Bank to increase interest rates to head off inflation.

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.

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.

Many people – a two to one majority according to opinion polls – share my concerns about population growth. But many people think it's inevitable, that there's nothing we can do about it. This is not so. Our population number is a direct consequence of our level of net overseas migration, and that depends on decisions made each year by the Federal Government. If we return our net annual migration number to 70,000 – the kind of number we had quite often in the 1960s, 70s and 80s, we could stabilise Australia's population at 26 million by 2050, instead of the 36 million it is presently projected to rise to.

The best way to cut back our migration number is to cut skilled migration, which in 1995 was 24,000 but is now over 100,000. It should go back to 25,000. There is no need to cut the family reunion program, and indeed there is room to increase the refugee program, which is presently 13,750 and could rise to 20,000.

We should get rid of the Baby Bonus, and put the \$1.4 billion we would save each year into educating and training young Australians at Universities and TAFE.

In November last year I issued a 14 Point Plan for Population Reform, which goes into these matters in detail. It is available on my website.

CONCLUSION

Like a man rapidly gaining weight who loosens his belt rather than confront his weight problem, Melbourne needs to ask itself, is a population of 5 million really going to give us a better city than one of 4 million?

Accepting galloping population increase as inevitable, or even desirable, will lead to a more polluted, congested and unsustainable Melbourne. Melbourne is generating more greenhouse gas emissions, using more water, losing open space and turning into a high rise steel and concrete jungle. Planners and developers talk the talk of protecting Melbourne's environment, but their actions have the opposite effect.

They behave as Gough Whitlam once described rowers-facing in one direction but heading in the opposite one.

We need an environmentally sustainable planning policy for Melbourne. We do not need more loss of open space, high rise buildings turning Melbourne into Shanghai or Mexico City, ever larger dwellings like the energy-guzzling McMansions, or policies which encourage reduced numbers of people per dwelling.

We must show the same foresight the founders of this city showed when it was initially designed. They left us with a city with open space, extensive tram and train networks, and liveable suburbs supported by extensive local infrastructure in the form of schools, hospitals and social services. We too should leave a legacy for future generations that we, and they, can be proud of.

I thank you for your interest in this debate. I think no issue is more fundamental to our successfully discharging our responsibility to pass on a world, and an Australian way of life, to our children and grandchildren in as good a condition as the one our parents and grandparents gave to us.

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