



**Address by Kelvin Thomson
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IS BIGGER BETTER?

In 2009 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, war, 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 that year the Federal Government released 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. The Government now refers 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 80% over the next 40 years. 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.

Indeed Canberra is not immune from the impacts of population growth. In November last year the *Canberra Times* reported that more than 8,000 residential flats are in Canberra's construction pipeline over the next 3 years.

It said quote, “strong demand for Canberra apartment living is in line with a national trend of high density living becoming more popular as single homes become too expensive”. Let me ask the question, if people in Canberra are moving into high-density flats because they can no longer afford a single home, are we better off than before? Surely they are poorer than they used to be.

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 36 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 180,000 per annum, the number used by Treasury in arriving at the 36 million projection.

So to show that there is an alternative, in 2009 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.
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 stabilize global population.

Point 12: Increase Australia's aid to meet the United Nations target of 0.7% of Gross National Income with 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.

That position has not been popular with big business, who are the beneficiaries of Australia's high population, high migration strategy. It did set a cat among the pigeons. But I had the great good fortune to spend three months late last year as one of two representatives of the Australian Parliament at the United Nations General Assembly in New York, and seeing what I saw there made me even more convinced of the need for global population reform. It was announced that the world's population had now passed 7 billion, and is tracking for 9-10 billion by 2050. It took all of human history until the year 1900 to get to 1.6 billion – now we are adding another billion people every dozen years or so. The idea that the world's population is going to level out of its own accord one day is just fanciful. And the Population Institute, based in the US, gave me a really significant comparison of the world at 7 billion in 2011, compared with the world in 1999 when we crossed 6 billion.

Back then oil prices were at near record lows of \$10 a barrel, and the *Economist* magazine ran a cover story declaring the era of cheap oil was here to stay. Oil is now of course \$100 a barrel.

In 1999 world food prices were at or near record lows. Now they have reached record highs. In 1999 hunger was on the run. The World Food Summit had set a target of reducing the number of under-nourished people in the world from 800 million to 400 million, and predictions were made that hunger could be eliminated within 15 years. Instead the number of people who are starving has risen to 1 billion, and will continue to rise.

Back in 1999, the international community was uniting to fight global warming. We had the Kyoto Protocol and the European Union setting up a carbon market. In 2012, though the impact of climate change has become more pronounced, international agreement to robust action is, to put it mildly, elusive. Now other commodity prices are at or near record peaks.

Given the way the world has changed in the past 12 years, it's impossible to seriously contend that we are in better shape in 2012 with 7 billion than we were in 1999 with six. In that sense, uncomfortable though it is to say it, the world is overpopulated.

My time at the United Nations gave me both time to reflect on larger questions than we usually get in the political cycle, and also a lot more exposure to how people in other parts of the world are seeing issues. I'm told that two-thirds of the people of the planet have never made a phone call. I got opportunities to talk with and listen to their representatives, and hear much more about what's going on in Europe, Africa, and Latin America than I've had before.

With the benefit of this experience I think it's time to set a few more cats among the pigeons. First, globalisation.

There are a lot of people around the world who are better off as a result of globalisation, but there are a lot of people who are worse off too.

We now have financial institutions around the world which are described as "too big to fail" and are being underwritten by governments, i.e. by taxpayers. This makes an utter farce of free market theory that it is efficient to allow corporations to get larger and larger, and that there is nothing to be afraid of in takeovers, foreign ownership, or market concentration.

We have also seen governments in Europe fall, and Prime Ministers replaced by un-elected technocrats, because financial markets – not electorates – have lost confidence in them. These are signs of global corporations and global capitalism out of control.

It is true that countries and communities cannot afford to have large financial institutions fail, with all that that means for depositors savings. But if it is taxpayers, and not the Chief Executives and shareholders of financial institutions, who are really carrying the risk, then taxpayers should be demanding a far greater say in the management of the institution and the distribution of its profits. We cannot have a “privatise the gains, socialise the losses” mentality infect financial institutions – this is not the free market, it is crony capitalism.

And we should not allow the “too big to fail” problem to get any worse than it is already. It is extremely difficult to break up the trans-national corporations we already have, but we should draw a line on further concentration, privatisation and public-private partnerships. These are the things which have put countries in the vulnerable positions they are in today.

The global financial crisis shows we should work towards more self-sufficiency and being able to stand on our own two feet, rather than the vulnerability that comes with free trade and globalisation. We should rebuild our manufacturing sector and the research, development and engineering skills which accompany it.

Can I turn to the issue of foreign ownership. We now have extremely relaxed foreign ownership laws.

For overseas private individuals and companies the Foreign Investment Review Board (FIRB) doesn't even examine purchases unless they are over \$231 million. An overseas investor can buy any number of farms for \$200 million without any questions being raised.

The FIRB has never, repeat never, knocked back an application from offshore to buy Australian farmland. As a result the amount of Australian land in foreign ownership has doubled in the past 25 years – from 5.8% to 11.3%, and 45 million hectares of Australia's agricultural land has some level of foreign ownership.

In the Northern Territory, over 14 million hectares, an area larger than the State of Victoria, is overseas owned. Over 30% of Western Australia's water entitlements for agriculture are overseas owned. On December 30, 2011 Wesfarmers sold its Premier Coal business to a Chinese company, leaving all coal mines supplying the WA electricity grid in foreign hands.

Does this matter? Some people don't think it does, but I do. We are now seeing very clearly the shortcomings of globalisation. Our problems have gone global – global warming, global terrorism, global poverty, global diseases, global financial crisis. Australia will be less vulnerable to these problems if we retain as much self-sufficiency and self-reliance as we can. Moreover we have an obligation to our children and to future generations to leave them the same opportunities as we have enjoyed. If we sell off fundamental assets like land, food, water and energy we compromise their chances. It is short-sighted and diminishes our control over our own destiny.

State and National Governments should put in place national and state-by-state continuously maintained registers of foreign ownership of our land, our water, and our food.

It is entirely predictable that I, or anyone else raising this issue, will be greeted with attempts to intimidate and shut down debate by dark mutterings about Hansonism, One Nation, racism, xenophobia etc. But the Australian Government has stated that “The Gillard Labor Government believes strongly that ownership of existing dwellings by foreign non-residents is not in Australia’s national interest.” Why is this? Is this racist, or xenophobic, or Hansonite, or One Nation? Or do land, food, and water matter less than housing? Surely not.

Moreover other countries have restrictions in place. Weekly Times editor Ed Gannon says the United States – Land of the Free – requires all foreign purchases of farmland to be registered under the Agricultural Foreign Investment Disclosure Act, and that: -

- States such as Missouri, Iowa, and Indiana forbid foreign individuals and companies from owning farmland.
- The Canadian States of Manitoba and Saskatchewan have restrictions on foreign land ownership.
- All foreign purchases over 5 hectares in New Zealand must be approved by the Government.
- No more than 15% of Argentina’s farm land can be sold to foreigners, and non-Argentines are banned from owning more than 1000 hectares each.
- Tight restrictions exist in Ireland, Iceland, Russia, Japan, and Brazil.
- And China? China prohibits, repeat prohibits, private foreign ownership of farmland.

Are these states and countries all racist and xenophobic? Or are they displaying an intelligent and far-sighted understanding of their own best interests?

In Africa in 2010 over 123 million acres of land – an area double the size of Britain – was the subject of foreign purchase, lease or investment. Tens of thousands of villagers have been driven off these agricultural lands as a consequence. The foreign investment has been described as a new form of colonialism that leaves large parts of Africa in the hands of foreign states and investors while displaced populations are left to suffer and go hungry. Are the impoverished Africans who object to this being racist?

We need to have a debate about whether the level of foreign ownership we are now witnessing is in Australia's best interests without resort to name-calling, and if it is not in Australia's best interests, what action we should take to stop the ongoing decline of Australian ownership of Australian land, food, and water resources.

In a world where population is growing by a remarkable 80 million every year, where desertification is already rendering large areas of land unproductive and climate change threatens to speed this up, where 1 billion people are starving right now and in future more, not less, will go hungry, we need to be more earnest and less complacent about protecting our future food security.

The national conversation we have to have about foreign ownership has to be an informed conversation, one where we are all in possession of meaningful information. I don't think we're at that point at present. The Australian Bureau of Statistics has conducted a survey of foreign ownership, and I referred to this earlier, but I fear it doesn't tell us anywhere near enough.

It was a survey. It depends on people giving honest and accurate answers. It was a limited survey, most people didn't get asked. And it was not a transparent survey. You can't find out who the ABS asked, or check their work. I'll give you an example of why I believe this matters.

If someone asked you whether Mildura Fruit Company was an Australian company you would probably say yes. It packs and sells fruit in the Mildura region. As of 22 December 2011 it had six directors, five of them born in Australia and one born in New Zealand. It is 100% owned by Sunbeam Foods Group Limited, which is based in Mildura and has the same directors and secretary as Mildura Fruit Company. So it looks very Australian.

Now this is not easy to trace via company searches, but in fact Food Holdings Pty Ltd, which is trading as Manassen Foods Group, owns 100% of Sunbeam Foods, which owns 100% of Mildura Fruit Company. On 30 November 2011 Manassen Foods Group was acquired by Bright Foods Group Holdings Pty Ltd. The shareholders of Bright Food Holdings Pty Ltd are Bright Food (Australia) Co. Ltd, and Geoffrey Erby.

Now Bright Food (Australia) Co. Ltd. sounds Australian enough, but it is in fact a Chinese company based in Hong Kong. Its ultimate owner is Bright Food (Group) Co. Ltd, which is 50% owned by the Shanghai Municipal Government, and the remaining 50% by other Shanghai Government owned companies.

Now I don't think the ABS work, on the basis of which we've been told we don't need to worry about foreign ownership, would even come close to detecting ownership structures that are as elaborately hidden as this. I don't think doing a survey

every couple of years is going to tell us what the real situation is.

I think we need national or state-by-state registers of ownership of land, food and water companies, which give us real-time information about who owns what. We've had State and local government land registers for centuries, and we now have modern technology like Google Earth – surely obtaining and maintaining this information in a publicly accessible format is not difficult in this day and age.

The final cat I want to put amongst the pigeons concerns GDP, the measurement of economic growth. Joseph Stiglitz and his fellow Nobel Prize winner Amartya Sen said in 2009 that the shortcomings of GDP as a measurement were one of the causes of the Global Financial Crisis. The deficiencies helped portray the US economy, and the global economy, as being in better shape than they actually were before the credit crisis hit. “In a performance-oriented society, what you measure affects what you do. If you have the wrong measures, you can wind up doing the wrong thing”, Stiglitz said. He said a key problem was that non-existent profits were factored into GDP calculations. For example, 41 per cent of all corporate profits in 2007 were generated in the financial sector and tied to debt. In other words, the gains were “borrowed from the future”.

The massive subprime-related losses that financial institutions booked in 2008 wiped out not only the profits from 2007 but also those from the preceding 5 years. Stiglitz said “they were not really profits, but we recorded them as fantastic years”.

Furthermore, during the bubble-based run-up to the economic crisis, prices of output or capital were much higher than they should have been – 30 per cent or more higher in the case of

real estate. So the value of all goods and services being used to calculate the GDP “overestimated output”, Stiglitz said.

I believe we should ditch GDP as a key performance indicator. We need to continue to have measures of economic performance, but we need to give equal billing to environmental indicators, health indicators, education indicators and social justice indicators.

In relation to economic performance we should treat GDP and economic growth as a by-product, not as an objective. The important economic indicators are employment, inflation, interest rates, and a balanced budget. These things really do matter.

We want full employment, or as close to it as we can possibly get. We want low inflation, keeping prices as stable as we possibly can. We want low interest rates; we don't want people in debt and going broke. And we want balanced budgets; we don't want countries in debt and going broke. Full employment, low inflation, low interest rates, balanced budgets.

There are, of course, many possible environmental indicators of performance, but I think that 3 need special attention. The first is stopping the decline in numbers of birds, plants and animals, and the habitat destruction which is the biggest driver of this. The second is cutting CO₂ and other greenhouse gases – preferably globally by 60 per cent over the next 40 years, to head off dangerous climate change. And because of the numerous adverse environmental impacts of population growth, the third important indicator is how countries are going in stabilising their populations.

We need health indicators, like life expectancy and how our rates of obesity and diabetes are moving.

We need education indicators, such as English literacy standards, and post-secondary education outcomes.

And we need social justice indicators. What is happening to the gap between rich and poor? What about fairness in the workplace? How are we treating our students? Our older people? People with a disability? Our indigenous people? These are the things that really matter. These are the things we should be putting real effort into measuring, and even more effort into achieving.

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