



# Populate, or perish the thought

It's Census time again. If we hope to achieve a better life for all in the future, we need to start counting and to agree on how many people South Australia should have. **Hendrik Gout** reports

**W**E boast that Adelaide is the 20-minute city. But if a group of innovative South Australians has its way, the city's population will increase by half as much again, we'll suck more water from the River Murray to quench the city's thirst and Adelaide's rural fringe will see urban development from Gawler to the Southern Vales.

Is it a vision for destroying Adelaide, or the only realistic way to save it?

In November 2003, the Australian Population Institute held an important talk-fest in the House of Assembly chamber of Parliament House in North Terrace. The summit led to the inclusion of a new goal in South Australia's Strategic Plan – to increase the state population of 1.5 million to two million by the year 2050.

The plan was greeted with horror and derision by those who said that economic prosperity was not necessarily linked to population growth. They pointed to Sweden and Switzerland, countries whose population has fallen while their living standards continue to climb. And they pointed to countries such as the Philippines, which have seen their swelling populations crowded in slums from which the only escape was to go overseas and work as domestics.

Adelaide will become neither Geneva nor Manila, but whatever we decide, we can't stay the same. Adelaide is already changing, and alarmingly not for the better. The population of South Australia is becoming older. If these trends continue, SA will, like western Europe and Japan, face a crisis of age imbalance.

Michael Hickinbotham, driving force behind SA's leading homebuilder and enthusiastic State chairman of the Australian Population Institute, sits comfortably in the elegantly functional boardroom of the Hickinbotham Group's North Terrace headquarters. Hickinbotham was instrumental in organising the Population Summit, which attracted speakers such as Phillip Adams, Robert Champion de Crespigny, Malcolm Turnbull and Peter Vaughan.

He leans forward and points to graphs, charts and rows of statistics as he expands on his theme. Without a population increase, SA will die, he says. His kids, like other SA kids, will

be forced to go interstate to find jobs. Businesses will collapse. Schools will close. Restaurants will go bankrupt. Investment will dry up.

"We have to do something," he says. "But we're not advocating development at any price. We can grow sensibly. We can retain Adelaide's special character. But we have to face facts.

"SA lost 3600 people in the past 12 months," he says passionately. "And they're the very people we can't afford to lose. They're young, they're well educated, and they're grabbing opportunities interstate."

One reason for this, according to Rod Cornish, head of Property Research at Macquarie Bank in Sydney, is property values. Apparently interstate migration and house prices are linked like sausages. And Macquarie has a lot at stake in the accuracy of its data.

As an economist, Cornish tracks national population flows to determine the best place to invest funds in Macquarie's property trusts.

"It's all a question of housing affordability," Cornish says. "If Adelaide house prices are more affordable than Melbourne or Brisbane, the outward migration slows. When Adelaide house prices go up, so does the number of people leaving for Victoria and Queensland."

Statistics seem to support Macquarie Bank's analysis. Adelaide's house prices surged in recent years, so that it now takes 24.3 per cent of average earnings to pay a typical mortgage, only marginally less than the 25.6 per cent it costs in Melbourne.

"If a person can move to Melbourne and pay no more to live, while having better career prospects, they'll go. So we see thousands on the move," Cornish says.

But before Adelaide house prices boomed, there was a saving of almost five per cent in mortgage payments in Adelaide's favour. The result? Outward migration slowed.

**T**his puts a different perspective on views expressed by Real Estate Institute of SA president Mark Sanderson. Last week, the REI released figures showing that, on average, house prices in rural towns rose more than 40 per cent over the past three years. In Port Augusta, prices went up by a staggering 120 per cent.

"It is a very exciting time for country SA," says Sanderson. "I think our

regional centres have long lagged behind, but that has dramatically changed over the past five years."

However, if Macquarie Bank's research is correct, those high prices may drive people out of regional SA, rather than attract them. "The conclusions are obvious," Hickinbotham says. "We need to keep house prices affordable."

Hickinbotham says that's almost as easily done as said. "Firstly, we need to end the artificial restrictions on land supply. It used to be possible to buy what was called 'deferred urban land' outside Adelaide – this allowed it to be rezoned residential or industrial if certain requirements were met – and build on it. The State Government has to make land available for housing again.

"Secondly, we need to have the most efficient planning system in the country. There are people who've bought a block of land and have to sit on it for up to a year before they get building approval.

"And thirdly, we've got to have the most efficient system for testing and recognising the skills of our foreign migrants. We need to have excellent settlement services, and a super-efficient one-stop shop to help them find everything from homes to work to schools."

In fact, SA's intake of foreign migrants is largely compensating for the outflow of native South Australians. "There were 7750 overseas migrants to SA last year," Cornish says. "That's the highest number in at least 40 years."

Credit for that must go to the Federal Migration Minister, SA's Amanda Vanstone. Under federal guidelines, skilled migrants wanting to settle in Australia usually have to commit to living in a non-capital city. Adelaide

is the only mainland capital which is exempt from those restrictions.

Hickinbotham is effusive. "Amanda Vanstone's support for her home state has been fantastic," he says.

Meanwhile, the State Minister with responsibilities for population, Karlene Maywald, says the State Government is also working to increase the inflow and lessen the outflow.



“Business and industry groups are working in partnership with the government to attract skilled migrants and link them to jobs,” she says. “We have the most personalised immigration services nationally and our approval process for state-sponsored visas leads the nation. We are also the only state that provides services to skilled migrants as they arrive.

“The number of skilled migrants settling in SA rose by 46 per cent in 2004-05. In December 2005, the state’s share of Australia’s skilled migrants was nearly 10 per cent.”

The Economic Development Board recognised population growth as one of the key priorities for the state, and South Australia’s Strategic Plan lists four targets:

**INCREASE** the state’s population to two million by 2050 rather than the projected decline.

**REDUCE** net loss to interstate to zero by 2008, with positive inflow from 2009.

**MATCH** the national share of international migrants over the next 10 years.

**MAINTAIN** and develop viable regional population levels for sustainable communities.

While we are on track to meet the two million target, it’s unlikely we’ll achieve the target of zero interstate outflow by 2008. People overseas want to move to Adelaide, while we natives want to move out.

But will the push for more people reduce the quality of life which is one of Adelaide’s main attractions?

How many more South Rd traffic tunnels will we need if the city doubles in size? What will our air quality be like? What pressures would an extra half-million people place on our natural and urban environment?

Hickinbotham scoffs at the suggestion that two million people living in the driest state is environmentally unsustainable.

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“Water isn’t a problem,” says Hickinbotham. “The Murray can certainly supply even our growing needs. We can manage our water much more intelligently, which we should be doing anyway, and we’ve already proven it can be done. We re-use about 15 per cent, while Windhoek in Namibia re-uses 50 per cent. And SA accounts for only about five per cent of all water drawn from the Murray-Darling system. Adelaide uses just one per cent – less than some cotton farms.

“Look at the Munno Para Arc, which has green open areas interspersing villages. So we’re certainly not advocating more population at any cost – far from it. We are not talking about wholesale sprawl where vast tracts of rural land are sacrificed to urban development. We’re proposing incremental development on the fringe.

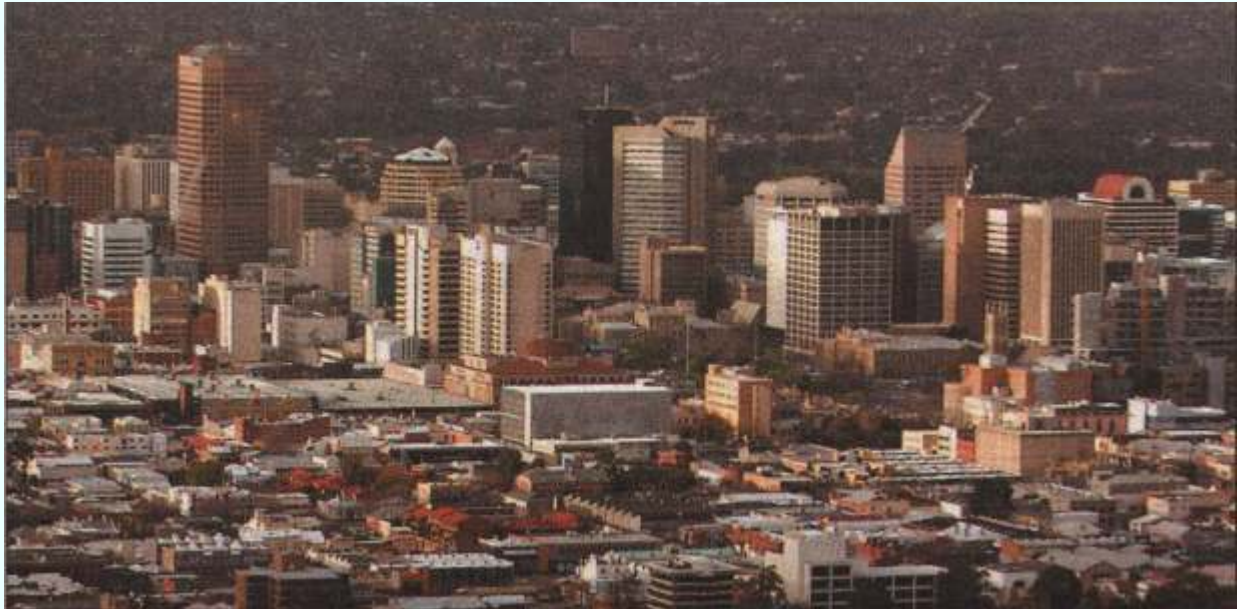
“We can keep our quality of life and actually improve it. It’s a very modest increase – 500,000 people over 50 years. And while it’s true that we’d need more infrastructure with a bigger population, at least we’d have the people to pay for it. Unless we stop outward migration, and increase overseas migration, we’ll have such a small workforce that we won’t even be able to pay the health care bills of the growing percentage of elderly people.”

Sixty years ago, fearing Australia would be swamped by our northern neighbours, the Commonwealth launched a drive for “white” immigrants using the phrase “populate or perish”. At that time there were 10 million Australians. There are now 20 million, and by the SA target year of 2050, there will be more than 25 million.

Last year, global population hit 6.5 billion, and the United Nations predicts that by 2050 it will exceed nine billion. Already, 175 million people, or three per cent of the world’s population, live outside their country of origin; there will be 230 million by 2050.

Already, there are 20 mega-cities of more than 10 million people worldwide; in less than 10 years, the UN predicts, there will be 23. SA, like anywhere else, cannot pretend that more people equals more affluence and a better life, forever.

SA may be caught between two poles – populate or perish, or populate and perish. Perhaps this state may find a solution by becoming a place where economic growth does not need to be matched, step by step, with the footfall of a million extra feet. As other countries have discovered, that’s a greater challenge than sustainably increasing the number of people.



**Adelaide will become neither Geneva nor Manila, but the South Australian capital cannot stay the same**