

TARGET 2 MILLION

BY ROY ECCLESTON

Tim Flannery insists he doesn't want to sound cranky, but the world-renowned scientist and environmentalist sounds distinctly sceptical about the notion of settling an extra half a million people in a state that can't spare enough water to keep key crops and gardens growing.

Is boosting South Australia's population of more than 1.5 million by about a third a good idea? "It's an idea," says Flannery, the former director of the SA Museum, and 2007 Australian of the Year. "The first step for me would be: Show me the water." Mike Rann's government, backed by business, is ramping up its campaign to secure the state's future by attracting new people, whether they're from Brisbane, Birmingham or Beijing. The target is two million by 2050, but at the current rate it would be reached by about 2030.

It's a local version of the philosophy that dominated post-war Australia – populate or perish – and Rann recently announced a group of "population ambassadors" headed by Monsignor David Cappo, the senior Catholic who also chairs the government's Social Inclusion Board, to give new momentum.

But the project raises two important questions: how many people can the driest state in the driest populated continent accommodate before wrecking its fragile environment? And do more people necessarily mean greater economic growth? Flannery, who has argued Australia's ideal population is around 6-12 million, has long pushed for a national debate on how many people the country should aim for, and he reckons Adelaide needs to join in.

"It's a question I always wanted to ask Peter Costello," he says of the former treasurer's exhortation for Australians to have more kids. "He said, one for mum, one for dad and one for the country. But I would say, where's the water? Where's the arable land, and all the things to support people – not just this generation but people in perpetuity?"

"It's irresponsible to be spouting population growth without having done some careful thought about how we can sustain people."

Flannery isn't mollified by the Rann government's work on plans for a 50 gegalitre

desalination plant for Adelaide. "It's a dream still," he says. "Where is it? Show it to me. I'm not interested in plans. I want to see real on-the-ground evidence for success in dealing with the water problem before we start boosting the population."

But the debate is not simply about how many people the state's environment can take. One of the big questions South Australia faces is how to sustain its economy as its population ages. As more people retire, who will care for them, and pay the taxes that keeps the budget healthy?

Flannery says that arguing that a bigger population will boost economic growth is like saying rain will follow the plough. "South Australia has had a history of producing an unsustainable job base," he says, pointing to the protected car and secondary industries of the post-war years. "And that's led to many social problems.

"Playford's view this would be a great industrial hub and that the suburbs north of Adelaide would be an industrial heartland fell over, leaving people with three generations of unemployment to grapple with. So I think there's a great responsibility to make sure we get this stuff right."

Demographer Graeme Hugo, a geography professor at Adelaide University, agrees that jobs and a growing population don't always go together – and that Africa is a good example of that fallacy. But Hugo says that in South Australia's case, the reality is that there's no choice but to lure more skilled workers.

"I think it's absolutely essential for the state," he says. "I just don't think we can cope with the baby boomers getting into the old age groups without counterbalancing that to some extent with a growth in the work force."

The problem is that a third of workers are going to retire in the next 15-20 years, he says. Add to that the demands of the mining and defence industries, and the state is heading for a serious shortfall of workers. Yet there's not enough young people, and many of them continue to leave the state.

"Our younger age groups are still declining while the older ones are still increasing," he says. Between 2001 and 2006, the state's

population grew by almost 41,000 – yet the number under 30 fell by about 5500.

That's a view strongly backed by Michael Hickinbotham, who runs a prominent home-building company, and is a strong proponent for population growth. Hickinbotham is one of the new population ambassadors working with Cappo, and while he readily admits a larger population would benefit his company, he insists his dominant interest is giving the state a future.

"We have the oldest population in the country, apart from Tasmania, and the demographic was such that as the wave of baby boomers retired and started to die we were going into absolute decline by about 2028," he says. Five years ago, it looked like the state was heading for "a country town syndrome where the population declines, you start to losing your young, you can't field a footy team, the bank branch closes."

It was also heading into increasing irrelevancy. While it had 10 per cent of the population in 1960, and now has 7.6 per cent, it was heading for 5.6 per cent in 40 years. But things have improved. Hickinbotham set up the SA Population Institute in 2003 and organised a summit of experts and politicians. The next year, the Rann government became the first to introduce a population policy, called Prosperity through People, with its two million target.

At the same time, the state benefited from the presence of four local MPs in John Howard's cabinet. That helped secure major long-term defence contracts that will boost jobs, as well as a special deal on visas that has made Adelaide the easiest capital city for migrants to move to.

The result has been hopeful. The annual rate of population growth has risen from around 0.4 per cent in 2003 to one per cent, or around 16,000 people. It was the highest since 1991, but still below the national average. The latest statistics show natural increase made up around 6700 of SA's growth, with the rest coming from a rise of more than 400 per cent in overseas migration.

In that sense the state's future continues to lie a long way from home – a quarter of the

migrants are from Britain, with China and India the next two biggest sources. Australians aren't so enthusiastic. People from other states aren't coming and many young are leaving as they've been doing for the past 15 years at least. In 2007, the net loss to interstate migration was about 3500 people.

That makes the preferential visa deal crucial for SA population growth but the federal government has come under pressure from other states to scrap it. Western Australia has been particularly vocal and the new Labor Immigration Minister Chris Evans is from Perth.

Hickinbotham says his job will be to build the importance of the issue in the minds of the community – especially among businesses. “The business community has been in a way a free rider,” he says. “They sit back and say the government will fix it.

“But they need to be aware of the issue and support it. It's becoming more of a problem because they're struggling to attract skilled labour. Mining projects like Roxby Downs and Prominent Hill will be in jeopardy.”

The idea that more people is bad for the environment is wrong, he says. The extent the environment is degraded is more about regulation and technology than population. Still, where's the water going to be found? That won't be a problem if we use our existing resources better, he says.

Hickinbotham has looked at how different countries manage water resources and says he is appalled at how SA does it. With water sold at around one dollar a kilolitre – that's a ton of water – “it's essentially free,” he says. “If we

went out to North Terrace and started giving away beer or anything we'd never keep up with demand. Water is no different.”

The water price could rise seven times before it reaches the amount paid in water-short areas of the US. “We reclaim and reuse less than 20 per cent, which is higher than most other cities in Australia, while Namibia reuses 60-70 per cent,” he says. “I've just come back from Dubai – they're desalinating 93 per cent of their water. We just need to be intelligent about how we manage it.”

It's not just water, though. RAA traffic and safety manager Rita Excell says the lack of a north-south road in a city hemmed in by sea and hills remains a major impediment to growth, and our road infrastructure is some of the worst in the nation. “We notice when we take even a small element out of the road network – for example Clipsal or the festivals – we find the rest of the network just struggles to cope as a result,” she says.

“We believe there's a need to have population growth but it's also important to realise the impact the burden of additional people and vehicles – any transport mode is going to be under pressure from that target.”

Flannery's argument is that you don't need to focus on boosting your population - if you get the basics right, people will come. But the state is already enjoying good economic times, driven by high employment and strong wine, mining and service industries.

House prices, while rising, remain below the other mainland capitals and so ought to lure young families. Adelaide was also recently placed sixth by *The Economist* newspaper in a survey of the world's most liveable cities (equal with the Brisbane, Sydney, Montreal and Zurich). It also received a drooling review in *The New York Times*. Why do people need incentives to come, and why do they go?

Realistically, says Hugo, Adelaide is geographically and economically on the outer

edge. “We occupy a peripheral position in not just the world but the national economy,” he says. “We are going to lose some young people.”

That's not necessarily bad, he argues. “I think the fact that young South Australians can cut it in London or Sydney or wherever is a good thing. But let's get as many as possible back.”

South Australian independent senator-elect, Nick Xenophon, doesn't argue with population growth but laments the lack of innovation in water and housing. More affordable homes, perhaps with European-style apartment living for families in the inner city area, could attract more people, he says.

Xenophon also cites the world-leading work of Salisbury City Council, with its massive stormwater capture scheme that uses natural reed beds and underground aquifers to store and filter water, as a model the Rann government should try to replicate on a larger scale for Adelaide.

Hickinbotham is pleased the issue is in the public eye again. “There's a view, Adelaide doesn't need to grow, I won't be able to get into my favourite restaurant, the streets will be more congested,” he says. “But then you say – that restaurant won't actually be here, and how are we going to have the tax base to fund the infrastructure you take for granted from hospitals to roads?” He argues traffic congestion is unlikely to be an issue, because most of the jobs will be in the northern areas where there is plenty of land for development.

“No one is saying growth for growth's sake,” he says. But without more young people, the number of workers compared to retirees will halve by 2050. “Bottom line: if you don't have enough working people who are paying taxes, you've got a problem”.



One of the big questions South Australia faces is how to sustain its economy as its population ages.