

PLAN MELBOURNE REFRESH

A SUBMISSION ^{removed} ON BEHALF OF THE BOROONDARA RESIDENTS' ACTION GROUP (BRAG)

BRAG has a membership of 600 residents and small business operators in Boroondara and its major aim is to protect what they love about their neighbourhood.

BRAG is also co-founder of PLANNING BACKLASH which is a coalition of over 250 similar resident and community groups representing city, country and coastal areas.

“If you double the population you have to double the infrastructure. Any plan that does not explain how needed infrastructure is to be funded will fail”

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1. INTRODUCTION.

METROPOLITAN PLANNING STRATEGIES 1980 TO 2015

Metropolitan Strategy
District Centres
Metropolitan Activity Centres
Living Suburbs
Melbourne 2030
Melbourne 2030 Review
Melbourne @ 5 million
Plan Melbourne
Plan Melbourne Refresh

In between there have been nine other planning schemes under consideration.

The first real plan that attempted to react to the pressures from population growth was District Centres in 1983. Melbourne 2030 was introduced by the Labor Government in 2002 which followed a similar line but for the first time promoted urban consolidation and introduced Principal, Major and Neighbourhood Activity Centres as well as an Urban Growth Boundary. Melbourne 2030 was devised by a planning committee which had no resident representative so it was not accepted by the resident community. M2030 was followed by Melbourne @ 5 million which attempted to rectify some of the issues. This also had no input from the resident community. It is clear that Melbourne's urban planners are telling us that they know what is best for the community but do they? Their plans have so far not produced any real satisfactory initiatives.

In 2013 Plan Melbourne came after the new Residential Zones were introduced by the Liberal Government and, while the community was invited to make submissions, the Ministerial Planning Committee virtually ignored the community's concerns. The recommendations by the Ministerial Committee were not fully implemented because the Committee was all for developing the inner and middle suburbs to reduce the pressure on the ever expanding fringe development. This would have impacted upon the new residential zones which were aimed to protect the residential suburbs from opportunistic over-development.

Now we have Plan Melbourne Refresh (2015) which is clearly aimed to re-introduce retrofitting development into at least a large part of the middle residential suburbs.

It seems that every new government will now "update" whatever planning strategy is in place to suit its own policies or, more realistically, reacting to political donations and to satisfy the dictates of the development industry at that time.

This is not sensible planning nor are these “updates” likely to solve the main problems facing Melbourne with its ever-increasing population growth. For they are purely reactive and will never solve the current problems of a fast growing city.

2. THE ISSUES

In 2000/2001 Australia’s immigration figure was 80,000 p.a. and has steadily increased each year to 241,000 in 2013/2014. The immigration intake for 2014/2015 is set for 190,000 but this will be exceeded and could be nearer 250,000.

(Refer to attached Immigration intakes for the annual numbers plus visa holders, New Zealanders and the humanitarian intake not included in these numbers).

About 24% of these new arrivals settle in Melbourne which is the main reason for the most of Melbourne’s planning issues. If this trend continues then our population will more than double in the next 30 to 35 years. And yet our Urban Planners seem to ignore this population growth and instead, concentrate upon retrofitting new housing development into existing suburbs.

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in his publication “The Citizens Perspective” said that:

- All government bodies assume that growth is desirable and/or inevitable, whereas citizens mainly want to defend the status quo.

He went on to say that :

- All planners assume that the role of planning is to manage and generally facilitate development.

The urban planners and the residents of this city are diametrically opposed with one party pushing for new and larger/higher development and the other saying “not in my backyard”. removed went on to say that “Nimbyism has become the most asinine cheap shot in the town planning debate. If residents don’t want something in their backyard they are perfectly entitled to say so and should not be accused of selfishness”.

It is therefore up to the government to respond by managing such issues while understanding that it has responsibilities to the citizens who have legitimate concerns and not just to the development industry.

It seems obvious that by reducing the population intake to something around the 100.000 p.a. mark the pressure for medium /high- rise development could be better managed. Of course the State Government will say that immigration is a federal matter. Yes it is but that should not deter the state government from lobbying the federal government to take action.

The Federal government will try to argue that our population growth results in stronger economic growth but the reality is that this is just not so. Population growth does provide the illusion of growth but the productivity Commission says that high immigration has at best boosted the economic benefit per capita over 2 decades by only \$383. The only ones to benefit from high migration are the migrants themselves. (Refer Attached "The Big Australian Illusion" by Callum Pickering in The Business Spectator ~~removed~~)

Another major issue is that our infrastructure is already overloaded without taking into consideration all the upgrades required to cope with the increasing number of new arrivals.

To bring our public transport up to meet current requirements is beyond the capability of our government right now let alone what will be required to cope with the doubling of our population. . Governments just cannot raise our taxes high enough to finance the necessary upgrades,

It has been estimated that it costs \$200,000 per new migrant just to meet individual infrastructure needs. ~~removed~~

As we say on the front page, if you double the population you have to double the infrastructure. Therefore any plan for Melbourne that does not take account of how the cost of the required new infrastructure and upgrades will be provided will fail.

4. Population Growth

There are considerable costs involved in having a robust immigration program requiring the existing citizens to be taxed sufficiently to fund the additional infrastructure and other costs that result from such a large immigration intake.

As we have pointed out, because raising sufficient funds from taxation is not likely to be acceptable to the existing citizens, it will be necessary to finance infrastructure upgrades by other means, which raises many other questions with no easy answers.

But why should we continue to accept so many immigrants when a far better solution would be to reduce the rate of immigration back to more sustainable levels at, say, 100,000 pa which would still place us ahead of other comparable countries on a per capita basis and allow for a reasonable humanitarian intake?

Furthermore, is it reasonable to expect the existing citizens to meet these costs when there are no real economic benefits for them and what benefits there are go mainly to the migrants and, of course, to the developers?

3. The Solutions

- Lobby the federal government now to reduce Australia's immigration intake to a more sustainable number, we suggest to around 100,000 per annum.
In the meantime there will be continued pressure to take action to manage the current immigration intake and we offer the following recommendations :

- Although regionalization has been mooted previously there has been no real determined effort put into implementation. We say that properly planned and financed regional development proposals would assist in relieving the pressure of our population growth upon our city residential areas. Planning must include provision of fast rail connections to the city and appropriate infrastructure.
Such planning will need to include incentives to encourage citizens to move to new regional areas such as tax benefits, adequate services etc. before any promotion is undertaken.
- Commence planning for another major city to be built in stages to accommodate up to a maximum on 2 million (?) within Victoria, preferably in an area that could provide potential employment and possibly a site for a port. There have been suggestions previously that Portland has potential as a regional site so we recommend a feasibility study be undertaken NOW.

This would be far cheaper than trying to retrofit development into Melbourne's residential areas, with over-stretched infrastructure requiring substantial upgrades just to cope with existing demand, let alone future demand from high immigration.

- Currently developers have been cherry-picking development sites based largely on the anticipated profit without considering the overall requirements of Plan Melbourne for a more evenly based development regime. The reason is that there are better profits to be made in the more desirable suburbs such as the inner and middle Eastern suburbs. Therefore we recommend that it will be necessary to enact legislation to force developers into the inner Western and Northern suburbs where there are of large sites that are readily available for large scale development.
This could be achieved by ensuring that councils' schedules attached to the new residential zones are given Ministerial assent with mandatory conditions.
- Far too many planning decisions are made influenced by political donations so we recommend that legislation be enacted to stop political donations made by the development industry as has been enacted in New South Wales

Appendix 1

AUSTRALIA'S IMMIGRATION INTAKES 2000-2014

2000 - 2001	80,000	These numbers do not include the humanitarian intake of around 13,00 pa or the number of New Zealanders who do not require a visa to enter Australia – an average 50,000 pa
2001 - 2002	93,000	
2002 - 2003	108,000	
2003 - 2004	114,000	
2004 - 2005	120,000	
2005 - 2006	142,000	
2006 - 2007	148,000	
2007 - 2008	159,000	
2008 - 2009	171,000	
2009 - 2010	168,000	
2010 - 2011	177,000	Source : Dept. of Immigration & Citizenship (DIAC) as supplied to the Parliamentary Library
2011 - 2012	210,000	
2012 - 2013	238,000	
2013 - 2014	241,000	
2014 - 2015	250,000 (estimate)	

All numbers have been rounded

NOTE 1. Based upon the rate of growth continuing, Melbourne's population will double in the next 30 to 35 years to well over 8 million.

NOTE 2. The above numbers refer only to official immigration and do not take into account those who enter on the many different types of visas now available, such as working holiday visas, the many categories of skilled worker visas, 457 visas, student visas, employer nominated visas and those who enter illegally. Through a well understood visa churning process many can be with us for 10 years or so and eventually gain permanent residency.

Currently there are over 1 million visa holders in Australia and the government has just announced that some of the restrictions on these visas have been relaxed to encourage more to join our workforce. These long stay visa holders, the New Zealanders, the humanitarian intake and the official immigrants all need somewhere to live, which puts increasing massive pressure on our housing and infrastructure.

NOTE 3. Our State Government says that immigration/population growth is not a state matter- but it is. The State Government needs to demand action from their federal counterparts to alleviate the issues arising from this record growth and it can do something about it by removing right now the website www.liveinvictoria which encourages and assists new arrivals to live and work in Victoria.

NOTE 4. Australia's rate of population growth is currently 1.82% compared with the world average of 1.1%, Canada 1.2%, US 0.7%, UK 0.6%, New Zealand & France 0.5% with Italy minus 2.0% and Germany minus 1.7%. Interestingly Victoria's rate is 2.2% .

(Source : data.worldbank.org/indicator/SP.POP.GROW and United Nations Statistical Division).

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How population growth can make us worse off

Ross Gittins

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Just about every economist, politician and business person is a great believer in a high rate of immigration and a Big Australia. But few of them think about the consequences of that attitude – which does a lot to explain our economic problems.

The latest figures from the Bureau of Statistics show our population grew by 1.4 per cent to 23.6 million in 2014. Less than half this growth came from natural increase (births exceeding deaths), with most of it coming from net migration.

When I saw the 1.4 per cent growth figure, I thought it much of a piece with the 1.5 per cent growth over the year to September. It confirmed us as having one of the fastest growing populations among the advanced economies.

But, the Business Bible assured us, growth of 1.42 per cent was a big worry. It was clearly less than the 1.49 per cent average rate of the past 15 years and was, indeed, our weakest growth in eight years.

Slower population growth meant slower growth in real gross domestic product and this would also make it harder to get the federal budget back into surplus, we were told.

Really? This is crazy talk. It shows even our economists have turned off their brains on the question of immigration and lost their way between means and ends. Now they believe in growth for its own sake, not for any benefits it may bring us.

Of course, slower growth in the population means slower growth in the size of the economy. But what of it? What do we lose?

The economic rationale for economic growth is that it raises our material standard of living. But this happens only if GDP grows faster than the population grows. So it doesn't follow that slower GDP growth caused by slower population growth leaves us worse off materially.

That would be true only if slower population growth caused slower growth in *GDP per person*. I suspect many people unconsciously assume it does, but where's the evidence?

I doubt there is any. The most significant [recent study](#), conducted by the Productivity Commission in 2006, concluded that even skilled migration would do little to increase income per person. And what little growth the commission could find was appropriated by the new arrivals.

I doubt it's by chance that economists rarely, if ever, adjust the GDP figures they obsess about for population growth. Meaning we're constantly being given an exaggerated impression of how well we're doing in the materialism stakes. I can't remember GDP per person rating a mention in the budget papers.

Politicians are always boasting about record government spending on this or that, but never make allowance for population growth in making such claims. (Why would they when often they don't even allow for the effect of inflation?)

As for the claim that slower population growth will make it harder to reduce the budget deficit, it reveals just how unthinking we've become on immigration. It's true enough that slower growth in the workforce means slower growth in tax collections.

But is that all there is to it? What about the other side of the budget? Aren't we assuming a bigger population is costless? Skilled immigrants and their dependents never use the health system? They don't have kids needing to be educated? They don't add to traffic congestion, wear and tear on roads and 100 other taxpayer-provided services? Since there's often a delay while they find jobs, who's to say budgets, federal and state, wouldn't be better off with fewer immigrants?

But what's strangest about the economic elite's unthinking commitment to high immigration is the way they wring their hands over our weak productivity growth and all the "reform" we should be making to fix it, without it crossing their minds that the prime suspect is rapid population growth.

It's simple: when you increase the population while leaving our stock of household, business and public capital unchanged, you "dilute" that capital. You have less capital per person, meaning you've automatically reduced the productivity of labour.

So you have to do a lot more investing in housing, business structures and equipment and all manner of public infrastructure â€“ a lot more "capital widening" â€“ just to stop labour productivity falling.

The drive for smaller government â€“ and the refusal to distinguish between capital and recurrent government spending â€“ simply doesn't fit with a commitment to rapid population growth and a rising material standard of living.

Lower immigration would help reduce a lot of our economic problems â€“ not to mention our environmental problems (but who cares about them?).

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This story was found at: <http://www.smh.com.au/business/the-economy/how-population-growth-can-make-us-worse-off-20150705-gi57fx.html>

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The Big Australian Illusion

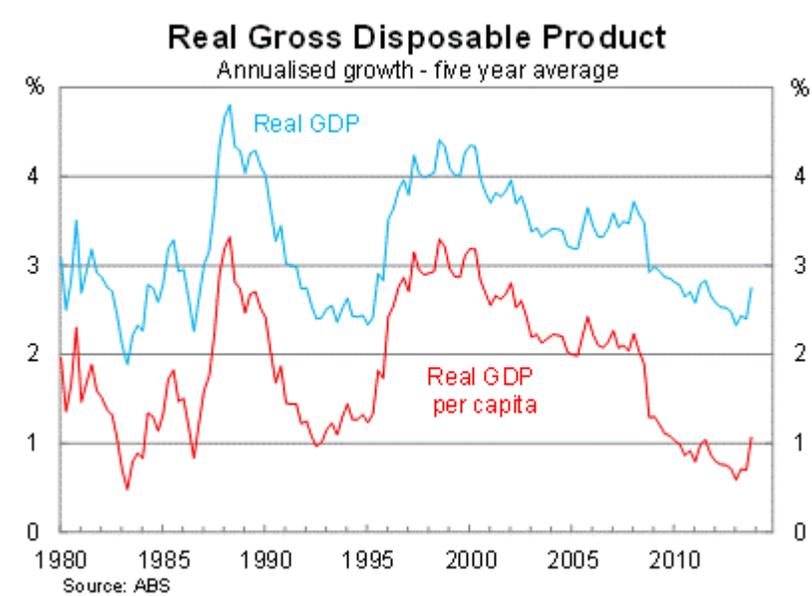
by Callum Pickering – from The Business Spectator

Australia has the highest population growth in the developed world. But what are our immigration policies trying to achieve? Unfortunately they are creating an illusion of growth, with little consideration of the long-term implications for Australian infrastructure.

A few weeks ago Alan Kohler laid out the future for economic growth in Australia. It was all about people or more specifically, “the infrastructure required to house, feed and transport them” ([Australia's new boom: human beings](#), April 2). There is little doubt that migration will sit at the forefront of economic growth in Australia over the next generation. Australian politicians have embraced and run with the concept of a ‘Big Australia’, with high migration leading to elevated population and economic growth.

But high migration levels are not achieved without a cost. High population growth puts pressure on existing infrastructure and commonly leads to greater congestion on our roads and public transport. Not to mention the impact on our natural resources and environment. There is also considerable debate as to whether high migration policies benefit the existing population. The Productivity Commission has found that high migration has, at best, boosted per capita GDP modestly. Its study in 2006 found that doubling the annual rate of migration would boost real GDP per capita by (only) around \$383 over two decades.

The real beneficiaries of migration are the immigrants themselves who benefit from higher domestic wages and relatively better infrastructure. But if high migration is not improving Australian living standards, what is it trying to achieve? Unfortunately, it is doing little more than creating the illusion of growth. Despite high migration, Australia's growth in per capita GDP has been lacklustre, with growth over the past five years slowing to its slowest pace in around three decades. Effectively our standard of living is now improving at a much slower pace than we had grown accustomed to.



Readers shouldn't underestimate how important minor changes to growth are to our standard of living. If per capita growth rises annually by 2 per cent, living standards will double in 35 years; by comparison, at 1 per cent growth it will take 70 years for per capita income to double. The reasons behind the slowdown are many and varied but include the usual suspects: declining labour market participation, slower productivity growth, insufficient infrastructure investment and disruption caused by the global financial crisis.

What should be recognised though is that high immigration policies are not by themselves a recipe for growth. Immigration is not a substitute for productivity and so far Australian residents are seeing little benefit from Canberra's immigration policies. If politicians want to pursue a 'Big Australia' then they should be prepared to approach it in the right way – they cannot ignore the mounting pressure on existing infrastructure and our natural resources.

Unfortunately, there is little evidence that our politicians – at all levels and of both political persuasions – are capable of finding, selecting and funding the infrastructure that can make the most of our population boom. Australia has suffered from a public infrastructure shortfall for decades now, as successive governments at all levels have wasted a once-in-a-lifetime opportunity to fund infrastructure, boost productivity and set Australia up for the future. Instead we find ourselves on the back end of a resources boom, with long-term budget issues and a huge backlog of necessary investment projects.

The Productivity Commission released a damning assessment of public infrastructure earlier this year, citing "numerous examples of poor value-for-money" projects and inadequate project selection. Without reform it suggested that "more spending will simply increase the cost to users, taxpayers, [and] the community" ([The great](#)

[infrastructure drain must be plugged](#), March 17). Politicians are great at playing politics but not so successful at making sound investment decisions. The end result is an economy that is being driven by population growth, with little consideration of the long-term implications. How will we deal with the additional traffic congestion? What about increasing the housing supply? Does anyone care about the environment or natural resource depletion?

Without reforming infrastructure investment, our failures of the past will become our failures of the future. The only way forward for the Australian economy is productivity growth and the only economic plans worth following are those that promote productivity.

Strong population growth is not an economic plan. It will not improve the living standards of you or I; nor will it reduce poverty and inequality or foster innovation and creativity. The only beneficiaries of high immigration are the immigrants themselves and while that is great, we can safely say that the government is not pursuing immigration for humanitarian reasons. Instead it is creating an illusion of growth while hoping you don't realise the reality.