

6 May 2010

The Hon. Tony Abbott MP
Leader of the Opposition
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Dear Mr Abbott,

**Re: "Towards a productive and sustainable population growth path for Australia",
Coalition Policy Directions paper, April 2010.**

The Urban Taskforce is a non-profit organisation representing Australia's most prominent property developers and equity financiers. We provide a forum for people involved in the development and planning of the urban environment to engage in constructive dialogue with both government and the community.

We write to you in relation to the above policy paper released on 29 April 2010.

We appreciate your document is a "policy directions" paper, and therefore does not necessarily reflect finalised Coalition policy. We would urge the Coalition to reconsider the direction outlined in this document.

Australia would be making a serious mistake if any government attempted to cap the annual rate of population growth to half its historical level and keep numbers under 30 million at 2050.

The growth of Australian society is essential to our nation's future. A restrictive population target would aggravate the problems associated with an ageing population, such as the greater demands for publicly funded social services. Immigrants help deal with the challenges of an ageing population because they are, on average, younger than the population already here.

Australia has grown at an average annual rate of 1.4 per cent over the last 40 years.¹ If a government were to try and limit Australia's population to less than 30 million by 2050, the average annual growth rate would plummet to just 0.7 per cent – half its historical level of 1.4 per cent.

The current Federal government's projection of 35.9 million people in 2050 already assumes a 14 per cent cut in our historical rate of population growth to just 1.2 per cent a year. Any reduction of our nation's rate of population growth puts at risk the very things that have made Australia what it is today.

¹ Australia's population in December 1970 was 12.7 million.

Your policy paper says that a Howard government 2007 population projection of 29 million by 2047 was "the last point of consensus on population issues". The paper proposes a new system of population targeting by the Federal Government.

The policy paper does not recognise the role increased population plays in funding improvements to infrastructure. More people delivers a larger tax base for every level of government – more populous cities are better able to fund high quality efficient public transport services. We will never see major new expansions in public transport infrastructure if our capital cities are not able to grow.

Capping Australia's population was unlikely to avoid surges in population in particular cities in any event. Australians cannot be moved around like pieces on a chess board. As our population ages, without a strong immigration program we can expect significant labour shortages in key parts of our economy, including major capital cities. Businesses that need to be located in these cities will be forced to offer whatever they can afford to attract people from other parts of Australia. Government-imposed caps on population are unlikely to curb stresses on major cities and are instead likely to further drain rural and regional areas of people.

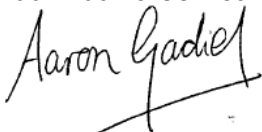
The 2010 *Intergenerational Report* did contain higher population projections than those in the 2007 report favoured by the Coalition policy paper (34.9 million in 2047, compared with 28.5 million). This reflects higher fertility rates, lower death rates and higher net overseas migration with a slightly younger age distribution, over the next 40 years. Our population will grow because Australian women, on average, give birth to 1.9 children each – up from 1.7 in the 2007 estimates. It will grow because people aged 60 in 2050 are projected to live an average of 5-6 years longer than those aged 60 in 2010.²² It will also grow because Australia attracts talented and skilled workers from all over the globe. These are all fundamentally good things.

The increased population projections were accompanied by an estimate that the economy would be 17 per cent larger by 2046–47 than was projected in 2007. A policy that argues that the 2007 projection should be turned into a cap, is an argument against this economic growth.

I would welcome the opportunity to meet with you to discuss this matter further.

Yours sincerely

Urban Taskforce Australia

A handwritten signature in black ink, reading "Aaron Gadiel". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Aaron Gadiel
Chief Executive Officer

²² Men aged 60 in 2050 are projected to live an average of 5.8 years longer than those aged 60 in 2010 and women are likely to live an average of 4.8 years longer.