

Paper delivered at the 10<sup>th</sup> Biennial Conference of the  
*Australian Population Association*  
POPULATION AND GLOBALISATION:  
AUSTRALIA IN THE 21<sup>ST</sup> CENTURY  
Melbourne 28<sup>th</sup> November to 1<sup>st</sup> December 2000  
Melbourne Australia

Towards a sustainable population policy  
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**30 November 2000**

*David Buckingham, Towards a sustainable population policy*

Ladies and gentlemen

I would like to begin by giving you a vision of the future, one with which I expect neither Paul nor Tim will agree. It is, however, a vision widely endorsed by Australia's business leadership.

I will then talk, unfortunately given time constraints not in overly much detail, on some current thinking about population and its impact on the environment.

Before I begin, however, I would like to congratulate the APA for putting on this forum. The mere fact it is being held and is so well attended is, I think, a sign of the increasing understanding of population as an issue of importance.

It is also a sign, I think, that people are beginning to consider the implications of a falling birth rate and historically low levels of immigration.

Briefly, the outlook for Australia's population is this: the most respected projections have the Australian population peaking at about 24 million in 2028, peaking, and thereafter beginning a gradual decline. As you would expect, the population ages dramatically. As an example, for every six people in work in 1990 there was one retiree. By 2028 there will be three people in work for every retiree.

It is not a uniquely Australian problem. Indeed, in 61 countries accounting for 44 per cent of the world's total population, the basic fertility rate is below the level required for population replacement. These countries include virtually every developed nation. In another 34 countries in Asia and Latin America, fertility rates are only a little higher than the replacement level and are declining rapidly.

Elsewhere, rapid population growth continues, in parts of Asia, the sub-continent, parts of the Middle East and in Africa. The United Nations, aided by among others the World Bank and aid organisations, is leading a co-ordinated attack to reduce population growth.

The implications from both scenarios are profound.

For Australia's part it means confronting the consequences of an indisputable fact: we face a long-term decline in population. We also need to recognise the realities around us.

The key concern is what this means for our economy and society, our capacity to fund extra services for the increasing number of elderly, our capacity to keep our best and brightest young people in the face of a stagnating population.

For the past two years, the Business Council of Australia has been engaged in a program of research into the size and make-up of our population as part of a process to develop a population policy.

Our canvas is broad – we are not focusing on narrow economic criteria at the expense of a wider view of the social and strategic considerations.

Our vision is one of a country building on the remarkable achievements of the last decade and a half of the 20<sup>th</sup> century.

Our people will be better educated and more highly skilled, with particular strengths in new technologies and emerging industries. Importantly, they will be equipped through a more integrated national education and training system to deal confidently and effectively with the rapid changes ahead of us.

We will have developed and will be building on our international reputation for innovation, kick started by government and business co-operation in research and development, taxation and a more sensible and contemporary approach to skilled immigration.

We will continue to foster international competitiveness which will be critical to success in a globalised world in which commerce is freer than ever, in which communications are instantaneous and open to all, in which more and more aspects of national government have an international dimension.

Sustainability principles, already fundamentally important to so many of the BCA's members, will be at the heart of company decision making, small, medium and large.

Clever design, new materials, new technologies, new ways of living and working and technical and behavioural innovations will dramatically reduce the environmental impact of human existence, based as it is most likely to be around large cities.

The appalling farming practices of the past – in the Murray Darling Basin, in the Great Artesian Basin, in our forests – will have been ended and work done to restore the damage.

We will have a strong, growing domestic market, contributing to the ability of Australian companies to compete globally.

We will have a rich and diverse cultural life and a clean, fair, stable and just society.

We think that to have a prosperous, sustainable and confident society at the end of the 21st century, we need to have a growing, dynamic, well-skilled, internationally-sophisticated population rather than one that is shrinking and ageing.

This scenario raises a number of questions, questions about which, inter alia, go to our infrastructure, social cohesion and the impact of a higher population on employment, particularly given a high immigration component.

Clearly, a most fundamental and particularly delicate issue is the environment. The carrying capacity of our country has been a matter of great conjecture for more than 80 years, with estimates ranging from Tim's widely-publicised view of 6-12 million people to 400 million. More recently, I note Paul has called for Australia to almost halve its existing population.

Increasingly, international literature presents evidence that resource deficiencies need not set population limits in economies open to change and technology. The old Club of Rome theories have long since been discredited.

Recent research by Emeritus Professor Anthony Chisholm of Latrobe University says there is considerable potential for improving the efficiency of resource and environmental management in Australia, a view with which I strongly agree.

But using a limit to population as a means of dealing with specific resource and environmental concerns is, in the words of Professor Chisholm, an extraordinarily blunt instrument. It is both illogical and inept.

The Australian Academy of Technological Sciences and Engineering, Australia's peak scientific body, this week received a study which makes the case even more strongly.

The study, which is due to be released next week, says that predictions of environmental disaster in Australia arising from population growth are ill-founded and arise from muddled and sometimes emotive thinking about the cause of environmental impacts.

Simply, the report says: "Australia can support a higher population."

Elsewhere, it states: "A number of environmental issues previously thought to be connected to population growth can clearly be demonstrated not to be. Of those that are, there appears to be technical and behavioural methods of dealing with them over a 50-year time frame."

Specifically, it rejects the often expressed view that a higher population will contribute to a significant worsening in greenhouse emissions globally.

It also rejects any suggestion of a relationship between a higher population and land degradation in parts of Australia.

This analysis gets to the heart of suggestions that Australia cannot sustain even the current level of its population. To be blunt, Paul missed the point when he said last week: "You can't keep your soils from salinating, your natural vegetation is disappearing. You've got horrendous water problems in the Murray Darling basin already. You're a major contributor to greenhouse warming."

We need to be much clearer on cause and effect. The problems Paul points to are real, but their solution does not lie in decimating existing Australian population levels. Rather, as the Academy of Technological Sciences study argues, the solution lies in putting in place policy measures appropriate to the problem in question.

Salinity and greenhouse are certainly real, but they will only be overcome by a determined application of remedies explicitly relevant to the problems.

Recently announced national strategies lay the basis for just such responses. This is not to say that population growth has not, in and of itself, had implications for the quality of the natural environment.

The structure and functioning of our cities is being adversely impacted by urban sprawl and the dominance of car transport. A rapid increase in medium density living, particularly in Sydney and Melbourne, is one response.

We are also a high resource usage and waste generation society, although strategies designed to remedy this situation are now well developed.

And, it is a fact Australia's dry climate results in low fresh water stocks near major population centres. The management challenge this represents will always be with us.

We do not in any way mean to dismiss these issues as superficial by saying we believe they can be managed over a 50 year period.

The real value of the Academy's study, however, lies in the detail with which it documents the now extensive range of strategies – available and proven – to manage the environmental impact of a larger population.

These include:

1. Technological innovations, both those that involve proven methods and those that rely on techniques still at an early stage in development but which have considerable potential for effective application within a 50-year time frame.

The Academy's study is scrupulous in avoiding the notion of the technological fix. It does say, however, that technological innovations can contain or potentially reverse environmental impacts through improved efficiency, containment or new ways of doing things.

The Olympic Park site at Homebush Bay in Sydney illustrates how technological intervention can reverse environmental impacts. In 1989, it was estimated the site contained 9 million cubic metres of landfill across 220 hectares of waste, with severe dioxin contamination in some cases at levels that posed a serious threat to human health. A comprehensive clean up strategy allowed the site to host the most successful Olympic Games in history.

2. Behavioural shifts caused by education programs and regulatory measures can be applied to minimise the impact people have on the environment. Recycling is an obvious example, with successful programs being run in Australia and internationally at community and industry levels.
3. Pricing policies rendering the true cost of services more transparent to consumers. The application of pricing which more closely demonstrates the link between a service and the environment can change behaviour.

I am sure many of you are familiar with the "pay as you throw" programs in the US, where residents are charged for the collection of waste based on the

amount they throw away. Communities with these programs in place have reported significant increases in recycling and reductions in waste.

Pricing policies have also been spectacularly successful in discouraging water use in the Hunter Valley. In three years following the introduction of pay as you use, consumption per residence fell by almost a third, and has consistently remained at the lower levels in the 15 years since. This reduction of demand for water has seen the Hunter Water Corporation avert the construction of two new dams.

4. Planning and settlement pattern policies, which seek to deliver superior environmental outcomes through more favourable land use and transport arrangements.

Use of CSIRO modelling has identified the development of compact cities as the best way to achieve reductions in transport emissions. It is now possible for State and Local Government planning agencies to guide major infrastructure investment decisions and development strategies for cities.

In summary, the Academy's study concludes that it is not appropriate (and is indeed simplistic) to use population as the only policy option to address environmental concerns whilst maintaining environmentally damaging technological, lifestyle and economic arrangements into the future. Rather, the adoption of the above strategies could potentially deliver superior environmental outcomes even in the context of a larger population.

Now, I do not expect this view to be shared by everyone. At times the discussion reminds me of the story about the scholastikos or absent minded professor in ancient Greece who met a friend and said: I heard you had died.

Well replied the friend, as you can see, I'm alive.

Yes, came the retort, but the man who told me was much more reliable than you.

Sixteen centuries later, population growth and its impact on the environment attracts widely differing views, as we are seeing at this forum.

This should not be surprising, because none of us has any experience of the sort of world we are moving into.

The Business Council of Australia is certain, however, that the best guarantee of our future will not be to build walls around us, but will be the reasoned and reasonable consideration of and response to the myriad, complex issues before us.

Our future will depend on our worldliness and our integration with the world.

It will depend upon the less tangible resources of culture and tradition; our values of tolerance and democracy; our common heritage and interest.

It will depend upon sustainable progress, where companies and individuals focus on the triple bottom line: the economic, social and environmental implications of what is done, delivering what this forum refers to as green growth.

And we think it will be enhanced significantly by a young, dynamic, growing and vigorous population.