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Thinking big can be beautiful

Pro-growth economist Brian Haratsis advocates a bigger Australia, transformed from a handful of colonial port cities to a national urban grid.

“IN AUSTRALIA we work and play hard, but we think soft.”

So says futurist and economist Brian Haratsis as he lays out the challenges facing Australia.

Housing shortages, social disintegration, severely congested cities, pollution, a moribund planning system, regional decay and a burgeoning older population struggling to survive.

Sound familiar? Some of these things are happening already but according to Haratsis' recently launched book, *Australia 2050 Big Australia?*, that's us 40 years from now.

We are facing a crisis of confidence when we most need to make the difficult decisions about where and how we live, work, play and invest in the future, Haratsis maintains. And we have run out of nation, region and city-building ideas.

State and federal governments fail to deliver bipartisan outcomes, the building infrastructure fund is being run down, infrastructure bottlenecks are strangling productivity and the Henry tax review has “provided no new ideas and provoked no action,” he says.

“We have an institutional framework that prevents common objectives being agreed to and reforms and infrastructure projects being delivered.”

These are faults that Haratsis attributes to a “lack of national leadership, bereft of clear infrastructure and planning priorities,” that is derailing Australia's future.

And if that's not enough, we live in an enormous, mostly uninhabited land mass, yet suffer the highest house and land prices in the world.

We need to grapple with these issues because Australia is likely to grow to 40 million people by 2050 under current population trends and policies, Haratsis says.

A minimum of 200,000 extra people a year are needed to meet demand for labour, soften the taxation effects of health spending and support a rapidly ageing population.

Unashamedly pro-growth in population and economic terms, Haratsis is dismissive of “environmental determinists” who believe climate change, peak oil, peak land and food security should determine

future land use, environmental strategies and legislation.

“A fresh collaborative approach is now critical in order to achieve both environmental

integrity and economic competitiveness.”

He is optimistic the benefits of technology and innovation will bring economic growth, in turn providing new processes and ideas to reduce our carbon footprint and mitigate climate change.

The success of economic reforms under Hawke, Keating and Howard governments didn't translate into coherent nation building policies, he argues.

“There is effectively no regional or national land use and infrastructure planning in Australia. We have a series of well-intentioned ideas with no prioritisation, no strategic intent and few objectives.”

While other sectors of the economy were deregulated, housing and planning, were not.

In fact, they became more tightly controlled. States and territories introduced strategies that limit growth on the urban fringes and drive up housing prices and development costs.

And they are not working. Our capital cities are slipping down the ranks of the world's most liveable cities even as national wealth grows, he says.

An orderly reduction in house prices and different policy approaches are needed to avoid the major disruptions that shook the housing industry in the 1990s and that are shaking the US today.

“In 2010 the state of the housing market is dictating the strength and dynamism of the US economy. Australia needs to learn this lesson — now,” he warns.

One of his solutions is a scheme that genuinely increases home ownership.

It's an alternative to the short-term first home buyer grants currently favoured by government that drive price spikes, and involves providing all 21-year-old Australians with a subsidised land lease for up to 10 years.

At the end of the term, the lease can be renewed or sold back to the government.

“The entry-level price of housing would halve, the industry would have stable demand and the public sector could buy or sell land or leases in response to market conditions.”

Planning for growth is necessary, the alternative is “congested cities and ports, unaffordable homes, unacceptable carbon footprints, regions with little or no social or economic infrastructure and indigenous disadvantage.”

It's all part of Australia's big picture future.

“We need a bigger vision and we need to challenge the notion that a big Australia is not a sustainable, prosperous Australia. We need to make the transition from a handful of colonial port cities to a national, urban grid,” he says.

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“Coping with the future will require creative and innovative approaches to planning, building and governing Australia to maximise the benefits flowing from increased global integration and diverting internal pressures of demography and related social changes,” he says.

But Haratsis isn't immune to the occasional soft thought. His eastern seaboard basin plan suggests moving capital city status from Canberra to Darwin.

Why? To recognise that we have become a “globally connected republic” that has shifted away from 1850s port cities.

Haratsis argues that the biggest impediment to reinventing Australia and avoiding the doomsday forecasts is the lack of serious, ongoing evidence-based debate.

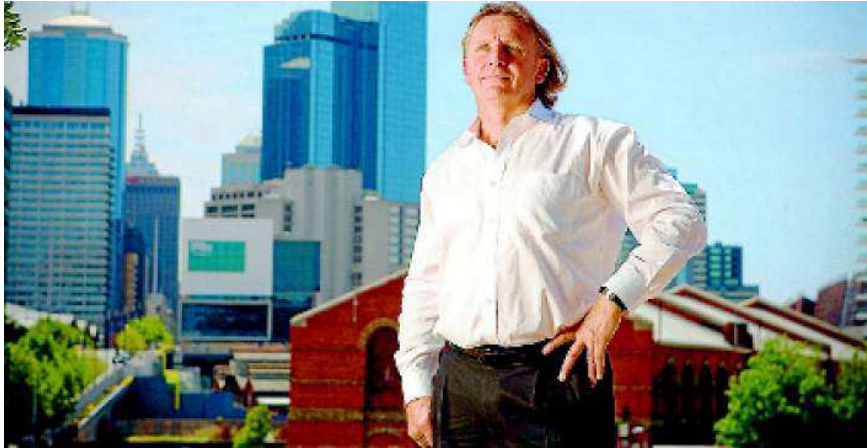
While you may not agree with some of its ideas, his book is a good starting point for that discussion.

To house 14 million extra people by 2050, Haratsis proposes among

other things: creating super suburbs on the city fringes; boosting the capital city status and population of Perth and other smaller Australian cities; and building three new cities with 300,000-plus residents between Melbourne and Sydney.

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Australia 2050 Big Australia?, published by Macroplan Australia at \$49.95, or \$9.95 download at www.australia2050.com



Brian Haratsis challenges the notion that a big Australia is not sustainable or prosperous.

PICTURE: JAMES DAVIES



We need a bigger vision



We need to make the transition