

How Big Should Canberra Be?

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1. The issue

How big should Canberra be? This question is rarely posed in Canberra because almost all of the voices heard in public suggest that more growth must be a good thing. The recent debate in the local media about how the government should respond to the slowing of Canberra's growth rate illustrated the uncritical acceptance of this assumption. Some argued that the government should intervene and spend public funds encouraging more people to move to the ACT, while others argued that growth would pick up of its own volition.

In this debate, no-one asked why we need more people or whether Canberrans want to live in a city with a bigger population. The development lobby has always had an undue influence on Canberra's planning. Faster population growth is undoubtedly good for the building industry, but does it improve the quality of life of those who already reside in the city?

This study canvasses the views of Canberrans on the optimal size of the city and the possible damage to their quality of life if it grows much bigger. It also considers some of the arguments used by the pro-growth lobby.

Some Canberrans seem heavily influenced by the disparaging and sometimes hostile opinions of those who live in other cities - that Canberra is 'dead', has no soul, and so on - and want to prove otherwise. This sense of inferiority underpins a belief that Canberra must grow so that it can rival Australia's metropolises. Others love living in the city as it is and feel that the negative opinions of outsiders only reflect tired stereotypes.

A recent Australia Institute study concluded that Canberra has the shortest average commuting times of any of Australia's capitals. For many, the relative absence of traffic congestion and the ease of moving around the city is one of the most attractive features of living in the ACT. Yet some began to ask whether the lack of traffic congestion should be used as a draw-card to attract more people to move to the city. If this were taken seriously it would have the effect of eroding the very things that Canberrans like about living here.

2. The survey

ORIMA Research was commissioned by The Australia Institute to survey Canberrans on what they believe Canberra's optimal population should be. The objectives of the survey were to:

1. determine residents' views on the current size of Canberra's population;
2. estimate how large residents think the city's population should be; and
3. gauge the range of concerns residents may have about the effect on Canberra's quality of life if the population were to grow substantially larger.

The survey was conducted by telephone at the end of April and beginning of May 2005 and included a representative cross-section of 350 Canberra households.¹ The survey questions are included in the appendix to this paper. ORIMA Research's monthly survey includes a number of demographic variables which allow a more detailed consideration of population preferences.

3. Survey results

3.1 Optimal population size

Almost three-quarters (72 per cent) of Canberrans believe that the city's population should be no bigger than it is now. Of those, 64 per cent believe the current population of around 320,000 is about right while 8 per cent believe it should be smaller - see Figure 1.

Twenty eight per cent say that Canberra is not big enough. When these respondents were asked how big Canberra's population should be, a little more than half (52 per cent) said it should be less than 500,000 - see Figure 2. Only 17 per cent of those preferring a larger population - or less than 5 per cent of the whole population - believe that the population should exceed 600,000.

Women are somewhat more likely than men to believe that the population is about right or too big - 77 per cent compared to 65 per cent for men.

Older residents are more likely to believe that the population is already too big (17 per cent), although those in the older and middle age groups are equally likely to say that the population should be no bigger. Among younger Canberrans, a higher proportion believe that Canberra's population should be larger (37 per cent compared to 28 per cent overall) but there is still a strong majority that believe Canberra's population is about right or too big already - see Figure 3.

¹ For questions answered by the 350 respondents the confidence interval is no more than 5 per cent at the 95 per cent confident level. In other words we can be 95 per cent certain that the true answer for the whole population lies within 5 per cent of the response from the sample of 350.

Figure 1 Beliefs about Canberra's current population size

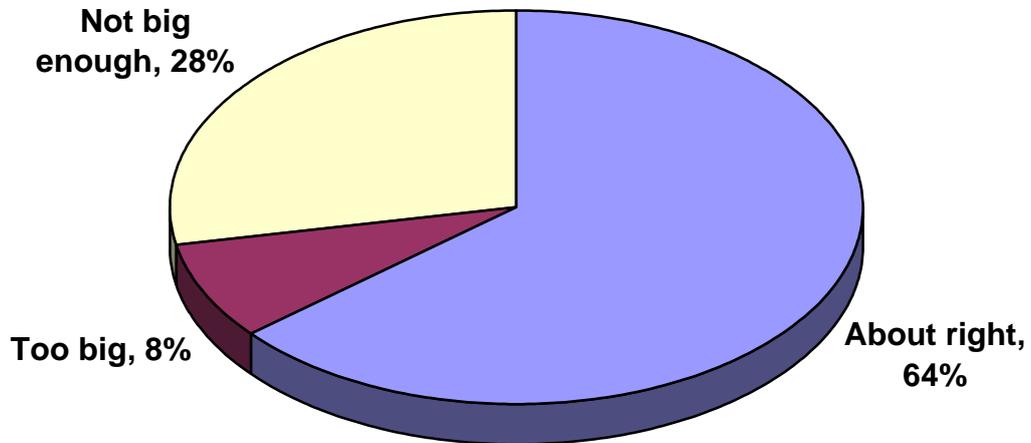


Figure 2 If it is not large enough, how large should Canberra's population be?

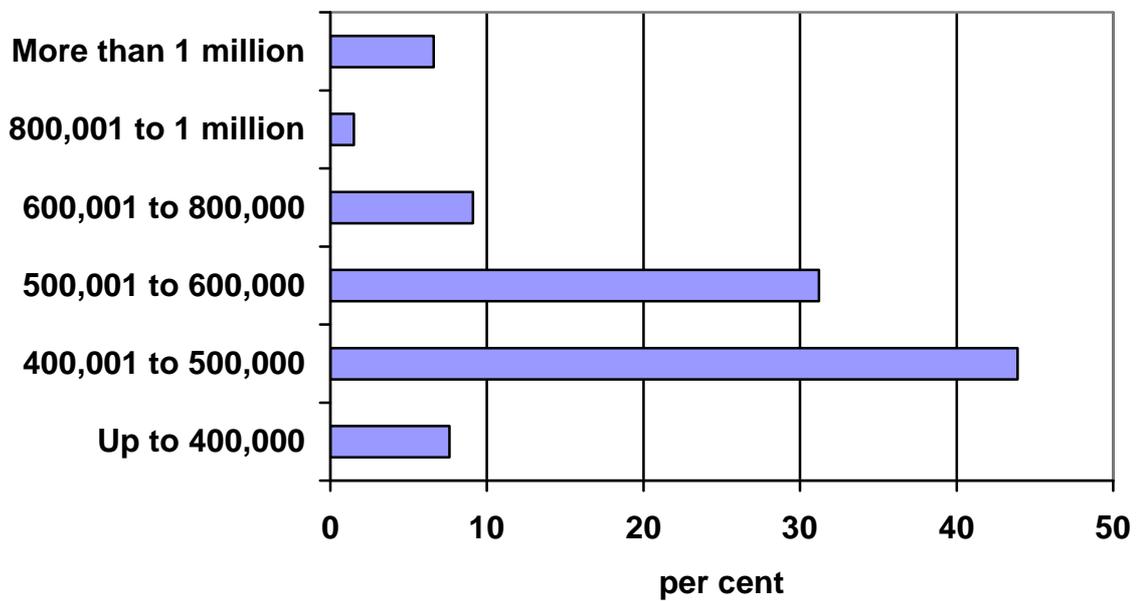
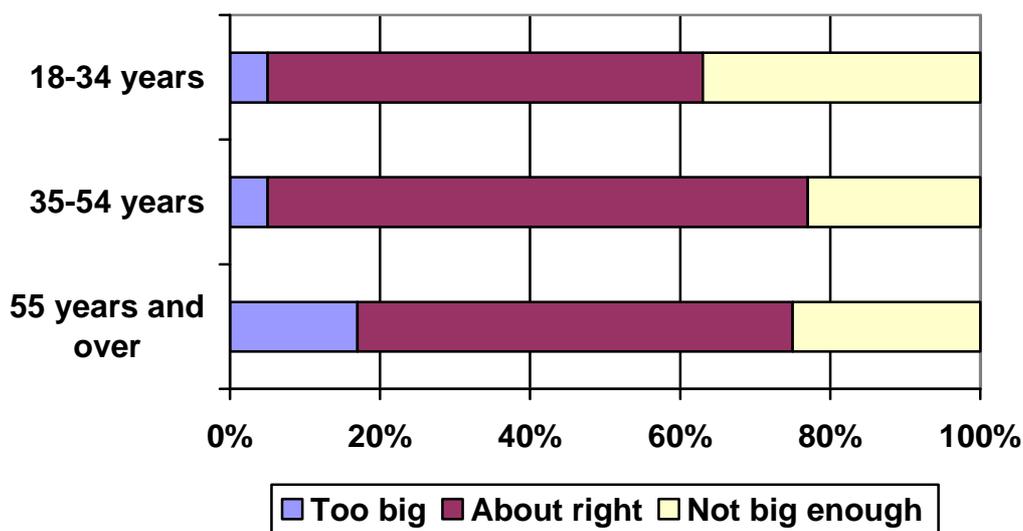
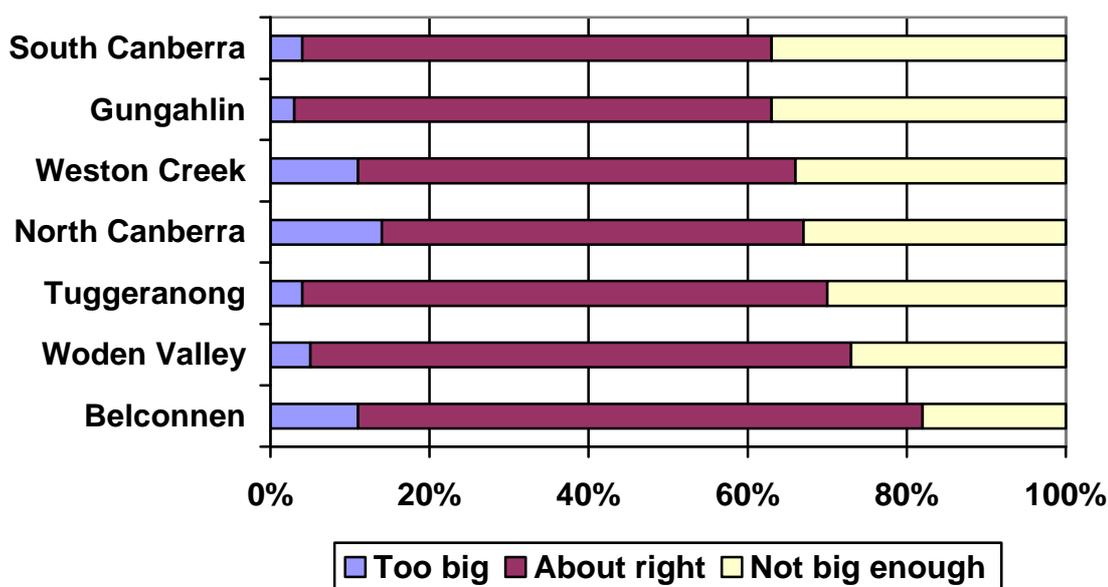


Figure 3 Views on Canberra's current population size, by age



There is some variation in views about optimal population size among areas within Canberra, although substantial majorities in all areas prefer no further increase in the city's population.² Residents of Belconnen (82 per cent) are most likely to oppose an increase in Canberra's population, while those in South Canberra (63 per cent) are the least likely - see Figure 4.

Figure 4 Views on Canberra's current population size, by residential location



Note: Weston Creek includes Stromlo. Gungahlin includes Hall.

² The small sample sizes in each region mean that the differences between regions are not statistically significant and should be interpreted with caution.

3.2 Harm to quality of life

Respondents were asked if they believe that the quality of life would be harmed if Canberra's population reached 500,000 or more, as advocated by some business groups.³ The majority (59 per cent) believe that the quality of life would be harmed. Older residents (69 per cent), women (67 per cent) and households with incomes of less than \$50,000 (68 per cent) are more likely to believe that the quality of life would deteriorate if the population were substantially larger.

Among the 72 per cent of residents who believe that the current population is about right or too big, three-quarters (74 per cent) think the quality of life would be harmed if the population were substantially larger.

Those respondents who believe that the quality of life would be harmed if the population were 500,000 were asked to nominate up to two ways in which it would decline. The most commonly chosen reasons were 'environmental problems, like water shortages and pollution' (78 per cent) and 'traffic congestion' (53 per cent) - see Figure 5. Around one third (32 per cent) believe that a larger population would result in more social problems such as crime, but only 28 per cent are worried about additional pressure for inappropriate development.

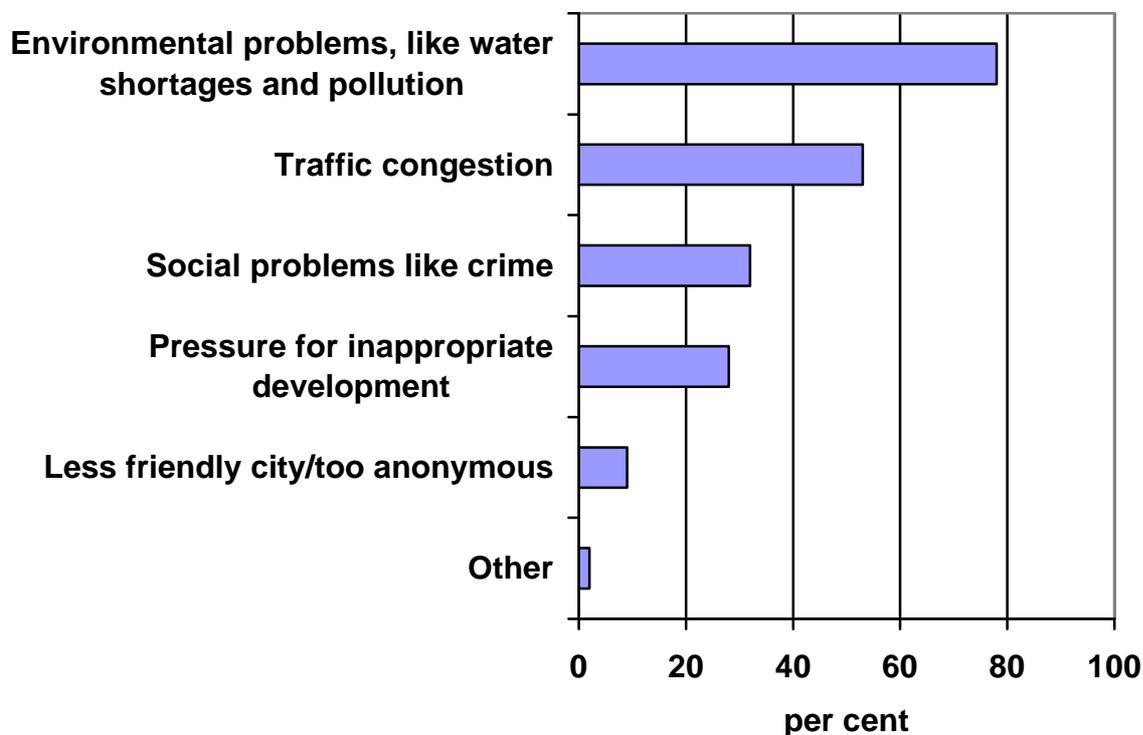
Younger residents are more likely to be worried about traffic congestion (65 per cent compared to 53 per cent overall) and a little less concerned than others about environmental problems (69 per cent compared to 78 per cent overall). The concerns of men and women are similar although men are more likely than women to worry about increased traffic congestion (61 per cent for men compared to 47 per cent for women).

Considered by region, Belconnen residents are particularly concerned about environmental problems (89 per cent compared to 78 per cent overall) while those in Gungahlin are especially worried about increased traffic congestion (73 per cent compared to 53 per cent overall).⁴

³ The Government's Economic White Paper canvasses the possibility of a population of 500,000 for the ACT and region (ACT Government 2003, p. 26).

⁴ Again, the small sample sizes in each region mean that the differences between regions are not statistically significant and should be interpreted with caution.

Figure 5 Negative impacts on quality of life with a Canberra population of 500,000 or more



4. Arguments against ZPG

The results of the survey make it apparent that a large majority of Canberrans favour zero population growth (ZPG) for the city. This poses the question of whether the future of the city is to reflect the wishes of the citizens of Canberra or whether those wishes will be ignored in favour of the interests of the development lobby. The latter, and its supporters, will undoubtedly argue that the citizens have got it wrong and that there would be severe consequences if the city does not continue to grow. The growth lobby always seems to argue that more growth is necessary without ever considering the end-point of growth. Presumably the city could stretch from Goulburn to Cooma and across the Brindabellas and they would still be arguing for more growth.

Here we consider the main arguments for continued population growth in the ACT and provide some brief responses to them. We expect to provide more detailed responses in a subsequent paper.

4.1 Growth is necessary to stave off the ageing of the population

The ageing population is a concern for the ACT Government, particularly in relation to replacing people moving out of the workforce. The Canberra Plan focuses on 'attracting younger people to stay, or move to Canberra'. It has been suggested that

industries already affected by the ageing population include health, education, public administration and universities.

There are a number of responses to this argument. First, any population that stops growing will inevitably experience an ageing in the structure of the population. So unless the population of Canberra is to continue to grow forever - obviously an impossibility - the 'problem' of ageing must be managed at some point. Why not manage the transition now instead of waiting for environmental, planning and social problems to force the city to curtail its growth?

Secondly, because Canberrans have relatively high incomes, education and health status Canberra is better placed than almost any other city in Australia to manage the ageing of its population.

Thirdly, population ageing is a national problem.⁵ Setting out to attract younger people to move to Canberra will simply make the 'problem' of ageing worse elsewhere in Australia. Since Canberra is better placed to deal with the transition, such a beggar-thy-neighbour approach does not seem fair.

Professor Peter McDonald, Head of Demography and Sociology at the Australian National University, recently told delegates at a symposium on population and economic prosperity that:

While the Australian Government remains in Canberra, Canberra will require a certain number of people of working age, both to work in the APS [Australian Public Service] and to service those who work in the APS. So, Canberra cannot restrict its growth by letting its population age with no replenishment at the younger ages. Replenishment is inevitable or the Australian Government (or parts of it) will have to move elsewhere.

The claims that Canberra 'cannot restrict its growth' and 'replenishment is inevitable' is based on the belief that the ACT Government is somehow duty bound to implement policies that will meet any demand for labour that may arise in the Territory. But why? If Commonwealth Departments cannot, at some point, source the skills they desire from the local population and decide to shift some operations to Sydney and Melbourne, then why should that be of concern? Departments have shifted to Sydney, Melbourne and elsewhere in the past and large agencies of the APS are already located outside Canberra. A more likely outcome is that salaries for workers in short supply would be pushed up thereby increasing average incomes in the Territory.

4.2 Economic growth depends on population growth

One of the most common mistakes of the growth argument is that economic expansion is in itself beneficial. In fact, improving the average incomes of residents is a more meaningful (if still flawed) primary objective. Thus the focus should be on per capita growth not the overall level of growth. While higher population growth would undoubtedly result in a higher growth of total income, it is hard to argue that a faster

⁵ The Australia Institute has published two papers on the issue. The first - Kinnear (2001) - argues that the putative problems associated with population ageing are not nearly as bad as is generally made out, while the second - Healy (2004) - argues that there are some important benefits from an older population structure.

rate of population growth would result in a faster rate of *per capita* income growth. Even if the new residents have higher than average skill levels, the additional income growth would accrue to those workers rather than existing residents.

At last year's symposium on population and economic prosperity, Chris Richardson from Access Economics said that participation and productivity are more important than population growth. He said:

... we in the ACT already have high participation and productivity, with the potential to build on those existing strengths.

Others believe that there are scale economies to be had from a larger population. 'Canberra's economy suffers from a lack of scale in growth industries that attract and retain skilled workers, attaining economies of scale in new industry sectors should be an ongoing strategic policy objective for government'.⁶ In fact, the local economy, with its extraordinarily high concentrations of intellect-based, creative and educational industries is perhaps the local economy in Australia least dependent on economies of scale. There are no vehicle factories in the ACT.

One of the few valid economic arguments in favour of growth is the claim that a slowing of growth would mean reductions in demand for housing and other construction. There is no doubt that the building industry benefits when it can cover more paddocks with roads, houses and shopping centres. But there is no limit to this, and the building industry will keep making the argument no matter how much the city expands. The ORIMA Research survey shows that the bulk of Canberrans do not regard the endless spread of the city as a benefit. In fact, the slowing of building activity is an unavoidable consequence of ZPG.

On the other hand, a city with a stable population would continue to support a building industry; but it would be smaller and would concentrate on improving the quality of existing structures. It would be focused on enriching the existing built environment rather than increasing the sprawl. For too long the commercial interests of the building industry have pre-empted consideration of the optimal population for the city.

4.3 'Growth is good'

The growth debate in Canberra is replete with meaningless assertions that go unchallenged. Thus, comparing Canberra to a small country town, the Canberra Business Council declares of the population debate:

It's about being competitive in a competitive market and not waiting for things to happen.

This sort of empty rhetoric gains currency by repetition. A more considered view has recently been put by former Chief Minister Senator Gary Humphries.

Let us not forget that Bob Carr is pulling his hair out over the infrastructure and environmental costs of the growth of Sydney. This should serve as a

⁶ Comment made at the Canberra Population Forum 2004.

warning for us not to hastily commit to an expansion of Canberra's population (Media Release, April 2005).

There is widespread acceptance in the community and by government that Canberra should pursue environmental sustainability. Yet, in practice, the case for sustainability is repeatedly trumped by assertions that 'growth is good' or 'growth is inevitable'. Growth puts pressure on services, infrastructure and the environment. To some extent these can be managed but at a cost to sustainability. Canberra will never be able to claim to be a sustainable city until it has tackled the population problem and, as the survey shows, Canberra residents are very concerned about the environmental impact of a larger city.

4.4 Canberra should strive to be more cosmopolitan

This is a hoary old argument that reflects the inferiority complex of some Canberrans and the inability of others to adjust to a new place of residence. Even segments of government are prone to it:

Yet Canberra still has not realised its full potential. The landscapes and monuments are not matched by a cosmopolitan lifestyle expected of such an important national and international centre (National Capital Authority, undated).

It is also an opinion about how Canberrans should live expressed by some who choose to live elsewhere. For example, in March this year, prominent demographer Bernard Salt (from Melbourne) said Canberra needed to 'sex itself up' to attract younger people to the city and increase its population. He said:

It's Pleasantville, Canberra is great if you are 35 or over and have a family, but if you are a bit edgy, a bit groovy, and want to road-test a few relationships, Canberra doesn't have that cultural depth.

Mr Salt may prefer groovy cities and wish for a series of short-term sexual liaisons, but that is not why most people choose to live in Canberra. Nor is it a fair representation of the preferences of younger residents; our survey reveals that 63 per cent of 18-34 year-olds believe that Canberra's population is about right or too big already.

Even if there were a preference on the part of substantial numbers of Canberrans for the city to be more cosmopolitan (which may well be the case), it is not at all obvious that a bigger population is the way to achieve it. Canberra is a small city, one planned according to different principles from those that applied to Sydney and Melbourne. The bush-capital emphasis on the natural environment means that it will never have the inner-city 'edginess' of parts of Sydney or Melbourne - nor the congestion and air pollution that are often inseparable from that - which is precisely the reason that many residents choose to live here.

Moreover, the belief that it is not cosmopolitan enough is based on a crude stereotype of life in Canberra. For these commentators 'cosmopolitan' is a shallow notion associated with having more café strips and comedy festivals. In reality there is no community in Australia that is more worldly than that of Canberra with a high

proportion having lived abroad for extended periods. It also enjoys more poets, artists and intellectuals per hectare than any other place in Australia.

The revitalisation of Civic is also a contentious issue that captures uncertainty about the city's identity. While Civic clearly needs attention, *The Canberra Times* was uncompromising with the lead paragraph of a recent story:

Strangled and divided by freeways and car parks, defaced by vandals and riddled with empty shops and poorly maintained buildings and infrastructure, Civic has become Canberra's broken heart (*Canberra Times* 2005).

Many Canberrans must have read this and wondered whether the reporter had confused Civic with one of England's notorious town centres. It is not the Civic they know.

More generally, discussions about Canberra's size and identity are frequently premised on the city being incomplete or inadequate. The pervasive stereotypes about the paucity of cultural and community life in Canberra play to the prejudices of outside observers typified by Bernard Salt.

4.5 Population growth and public revenue

Of all of the arguments for continued population growth in Canberra concern about public revenue flows is, on the face of it, the most persuasive one. Commonwealth grants to the Territory Government are based on ABS estimates of population. This meant less money for the ACT last year as population growth was estimated at around only 0.2 per cent. But whilst the total amount of funds may decline, Commonwealth grants are for the most part calculated on the basis of per capita relativities, so grants per person are unaffected by population growth. It is odd, to say the least, to argue that we should have more people when the increase in grants would only match the larger number.

Revenue from land tax and stamp duty is the main source of discretionary revenue for the ACT Government. This revenue can relieve budgetary pressures in areas such as health and education, which have required large increases in expenditure in recent years. But land taxes and stamp duty associated with new land releases are to some extent offset by increased spending on infrastructure and services associated with new land divisions. Moreover, if we must grow faster now to ensure government coffers are topped up with revenue from land sales, then we will always have to follow this course. But sooner or later this must stop; all it needs is the government, backed by the community, willing to make the decision.

References

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Appendix

Survey by ORIMA Research for The Australia Institute

I would like to ask you some questions about the size of Canberra's population which is currently around 320 000 people.

Question 1

Do you think Canberra's current population is:

- A. Too big *Go to Q3*
- B. About right *Go to Q3*
- C. Not big enough

Question 2

How big do you think Canberra's population should be?

- A. Up to 400 000
- B. 400 001 to 500 000
- C. 500 001 to 600 000
- D. 600 001 to 800 000
- E. 800 001 to 1 million
- F. More than 1 million

Question 3

Some people believe Canberra's population should be 500 000 or more. Do you think this population would harm the quality of life in Canberra?

- A. Yes *Go to Q4*
- B. No *END*

Question 4

I would like to read out a number of ways in which a population of 500,000 or more could harm the quality of life in Canberra. Please select up to two that you think would have the biggest impact:

- A. Traffic congestion
- B. Social problems like crime
- C. Less friendly city/too anonymous
- D. Pressure for inappropriate development
- E. Environmental problems, like water shortages and pollution
- F. Other [please specify]