

Dear Committee Members,

Thank you for this opportunity to put forward my views on this important issue and I will start by pointing out that your preamble to this inquiry contains both the extent of the problem and its cause. Our urban areas are increasingly no longer livable, equitable, productive, sustainable, or resilient. This is because we have a housing affordability crisis which is forcing essential workers to move out of the areas they are needed thus creating the false claim that we need more skilled workers. The huge demand for housing construction - often claimed as a supply problem( even though Australia builds more houses on a per capita basis than Canada or the UK) has created a spike in material costs that has further worsened housing affordability. This has been a factor in the failure to supply all the essential infrastructure like transport, schools, and hospitals we require or even to meet the maintenance requirements of existing infrastructure much of which is not designed to withstand the extreme weather events we now face.

Part of the failure to supply infrastructure can be blamed on demographers who have consistently underestimated our rate of population growth which allowed governments to defer the construction in the belief that it would not be needed for decades. Large population increases were dispelled by denial. Philip Ruddock, a previous coalition minister for immigration continued to state that our population would stabilize at 25 million, despite implementing policies, including the baby bonus scheme (at a cost of \$1.6b) and higher immigration, that aimed to do just the opposite. In an attempt to justify its policy the Howard government commissioned a report from the productivity commission on the impact of migration and population growth. This report concluded that the economic effect was small, 0.71% increase in average incomes over 21 years, but qualified this by admitting that no judgment had been made on environmental impacts. This delay allowed housing growth, often via corrupted councils to swallow up the land or corridors where the infrastructure should have gone. One example is Sydney's Western Distributor where 40% of the cost was land acquisition.

And the cause of all these woes is the absurdity of the economic philosophy which has us believe that growth is sustainable and can even be green. Australia's present housing crisis can be characterized as a neoliberal policy regime, with institutional government frameworks that support a commitment to self-responsibility through market processes. The AFR's Phil Coorey published an article explaining how the Australian Treasury is the puppet master behind the Big Australia mass immigration policy claiming that "*Migration long ago became a lazy method, adopted by both sides, to generate growth in the absence of any reform or productivity agenda*".

One can only wonder at the mentality of those in Treasury who, well aware of the existing housing crisis coupled with material shortages, would choose to unleash the highest level of immigration we have ever faced. That a labor government would accept such a disastrous approach when its outcomes, including a rise in the cost of living, are blindingly obvious, does little to inspire confidence in its ability to tackle climate change. It is a belief reinforced by the knowledge that our emissions from power generation have increased as a direct result of the immigration-fueled population growth and clean energy projects are being hobbled by the same material shortages that afflict housing construction. The construction industry is responsible for 37% of world emissions and in Australia transport accounts for 22% of emissions largely because of our car dependency and a failure to provide public and active transport systems. . The harsh reality is that people cause pollution and in Australia we average 22.4 tCO<sub>2</sub>e/capita - 2.8 times the OECD average and according to the UN this must be reduced to just 2 tonnes by 2050

Earlier this year, a key report from the UN's Intergovernmental Panel on Climate Change unequivocally stated: "Globally, Gross Domestic Product (GDP) per capita and population growth remained the strongest drivers of CO<sub>2</sub> emissions from fossil fuel combustion in the last decade." There are now 2 major cities facing "Day Zero", a time when they run out of water and millions of people around the world are suffering from excessive heat. Scientists have warned that large parts of northern and western Australia will become uninhabitable due to temperature increases while the eastern states seem likely to be threatened by more floods and bush-fires but economists worry about GDP growth.

### **Livable cities.**

Australia had 122,000 homeless people on census night 2021 The Productivity Commission's latest Report found of the low-income households renting private homes, two in five (42.9%) were in rental stress and at risk of being pushed into homelessness. The latest Roy Morgan data shows 1,560,000 mortgage holders were 'At Risk' of mortgage stress in April 2024, up 29,000 from March with 2.8% of mortgages being delinquent by at least 30 days or more. Because of financial stress and the threat of extreme climate events on insurance premiums 23% of households do not have insurance. New research suggests around four out of five Australian homes fail to meet World Health Organization minimum standards for warmth while a million people - especially Indigenous people and migrants - live in substandard accommodation. . equitable cities.

There are an estimated 2.61 million Australians living in poverty. The average income of the highest 5% income group is nearly four times the income of the middle 20% and nine times that of the lowest 20% income groups; while the

average income of the highest 1% income group is almost three times that of highest 20% income group. This top group includes 41 billionaires and most of those have made money from property while being able to minimize their tax obligations.

productive cities.

The Productivity Commission warns that our high immigration has come at the expense of the take up of robotics resulting in a decline of 3.7% in productivity in 2022/23. Traffic congestion cost \$19B IN 2016 and, if nothing is done, congestion is expected to cost Australian motorists almost \$53 billion in lost productivity by 2031, with Queensland's south-east expected to account for \$9.2 billion. Home Affairs minister Clare O'Neil who declared that our immigration system was broken and being rorted by criminals and organized crime. Given the long tenure of the coalition government, it is fair that Ms. O'Neil could blame the former government for the tens of thousands of people who are in Australia illegally but her action on this only came after a 60 minutes story revealed the problems of our immigration system that she described as "grotesque".

But corruption in our immigration system has been occurring for decades even involving the Department of Immigration where there were 132 cases of suspected corruption in 2016. The Pandora papers have revealed that Australia has huge gaps in its financial integrity which have allowed it to become the go-to destination for dirty money that ends up in real estate. The current anti-money laundering and counter-terrorism financing laws do not require real estate agents, accounts or lawyers to report suspicious transactions even though this has long been pushed by a G7 task force on financial action. It is so blatant that Australia has been listed by the US State Department as a "primary jurisdiction of concern" when it comes to money laundering while the UN Office on Drugs and Crime warned that Australia is part of organized crime networks involved in among other things wildlife and forestry crime estimated to be worth US\$ 19.5 billion annually.

### **sustainable cities**

A state government strata survey revealed 53 percent of apartments registered from 2016 to 2022 have at least one serious defect. The 2021 State of Environment report found that the urban heat island effect will cause temperatures in our urban areas to be 1–7 °C higher than in surrounding areas. This will increase AC use which provides a feed-forward effect. Data published by the world bank shows that we imported \$9.438b worth of bricks which along with other imports have huge carbon costs from transport. Our food imports have grown to \$12.4b, the Australian Bureau of Agricultural and Resource Economics and Science (ABARES) recently reported that since the late 1980s, food imports have been increasing by 4.8% a year on average, (while food

production only increased by 2.1% ) now accounting for 15% of Australia's total food consumption. This is an absurd situation, one where the supposed remedy for worker shortages creates even more shortages of labor, housing, food and infrastructure. It is a policy failure that should have been obvious to policymakers because there was little or no demand for skilled workers when our immigration was around 70,000/year and unemployment was around 2%.

### **resilient cities.**

Up to \$63 billion (replacement value) of existing residential buildings are potentially at risk of inundation from a 1.1 metre sea-level rise, with a lower and upper estimate of risk identified for between 157,000 and 247,600 individual buildings. Sydney, Melbourne, Brisbane, Perth and the Gold Coast, as well as many communities on Australia's vast river networks, are in peril from inevitable sea level rises – Department of Climate Change and Energy Efficiency (DCCEE).

### **Conclusion.**

There is a growing body of economic research suggesting that modern economies, one that assumes prosperity is dependent on growth, have now concluded that our survival is made increasingly impossible by it. These are opinions that have been continually stated by scientists for many decades but have been ignored. Economic logic needs to be re-embedded in science, rather than operate as a self-referential logic outside of natural boundaries. Biophysical limits force us to question economic growth as a goal and indeed to consider ways of utilizing de-growth to limit the harm created by growth mania. It will require an acknowledgment that economics is fallible and that scientific opinion must be given far more weight in policy making decisions.

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