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UNTRAMMELLED GROWTH RISKS CHOKING OUR CAPITALS

We need a decentralisation policy that promotes the regions and creates jobs

TIM SMITH

Victoria is the fastest growing state in the nation because of the remarkable population growth in its capital. From congested roads to overcrowded public transport, energy, housing affordability and public safety, managing Australia's most rapid population growth is an extraordinary challenge.

Over the past six months the Liberal Nationals' population policy taskforce has travelled around Victoria and received hundreds of submissions on how we can take the population pressure off Melbourne by decentralising the state.

That is the basis for the interim report *Victoria 2050*, which is

released today. The feedback has been overwhelming; Victorians, but particularly Melburnians, are genuinely worried about the pace of population growth and what this will do to our quality of life.

A total of 77 per cent of our state's population live in Melbourne and about 90 per cent of our annual growth settles in the capital. If we continue as "business as usual", Victoria by 2051 will see another 3.8 million people in Melbourne but only 690,000 people moving or settling in the rest of state — a pattern that is reflected across much of the country.

No state government can control the number of people passing through its borders, but it must have a plan on how to manage this flow. Victorian Opposition Leader Matthew Guy wants to see his state become a state of cities rather than inexorably sliding towards a city state.

Our report paints a worrying picture of negative per capita GDP growth in regional areas, with closures of Australian Sustainable Hardwoods at Heyfield and the Hazelwood power station in the Latrobe Valley. It is little wonder that the regions' share of population has declined every year for

the past decade. In response to this, we encountered some terrific ideas on how government could create incentives to attract businesses and jobs to the regions and reduce Melbourne's 80 per cent share of the state's GDP.

One key area of concern that unites both city and country is energy security. Across the state we heard of regional business being crippled by soaring electricity prices and in some regions power being intermittent during peak periods. Most worryingly, we heard speculation that the Yalourn power station will close in the short to medium term, as the Andrews Labor government seeks to achieve its state renewable energy target of 40 per cent by 2025.

We constantly heard that people would settle in regional centres to enjoy the lifestyle and housing affordability advantages if there were reliable and fast rail services. The Committee for Geelong put it best, pointing out that rail travel between European centres a similar distance to that between Melbourne and Geelong "took a fraction of the time, opening up new opportunities for employment and investment".

Not only is decentralisation important to protecting and conserving the capital's livability, it makes economic sense. Essential Economics observed: "It is less costly for government to develop the regions than provide for increased infrastructure to manage increased growth in Melbourne. Indeed, it has been estimated that to provide infrastructure to support a 50,000-person population increase in regional Victoria, it would cost \$1 billion, compared with \$3.1 billion to provide for the same increase in metropolitan Melbourne."

Victoria has not had a decentralisation agenda since the

Hamer Liberal government in the 1970s, and during that period Victoria witnessed 10 consecutive years when the population growth rate in the regions outperformed the capital. This was because of a major and sustained drive by Liberal ministers of the day that saw major employers set up regional operations. Matthew Guy has pledged a minister for decentralisation if a Liberal government is installed next year.

At all of our roadshows we heard of fears that the Andrews government did not have a plan for managing this unprecedented growth. There is the old saying that "you will end up where you're heading". Without government action now, Melbourne, and indeed Victoria, will continue to grow unsustainably, affecting the quality of life that countless generations of Australians have taken for granted. The interim report we are releasing today is the first step to where we want to be heading.

Tim Smith is a member of Victoria's Legislative Assembly and shadow Parliamentary Secretary to the Leader of the Opposition.