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The population debate we have to have in Victoria

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Melbourne's rapid population growth means urban and regional planning has become one of the most vexed public policy challenges, requiring long-term, bipartisan decisions in a political system that encourages expediency, immediacy and conflict. So we welcome the release on Monday by the Victorian opposition of an interim report designed to encourage debate about decentralisation, and we urge both major political groupings to collaborate on finding the most effective and efficient policies.

There is much common ground. Both sides agree the pace of population growth in recent years will be unsustainable unless there is investment in infrastructure – transport, utilities, facilities – and unless pressure is taken off Melbourne and shifted to the regions.

There is agreement that increasing the population and economic growth in regional and rural Victoria is crucial.

Planning issues require long-term policies, but some of our problems also require urgent attention. Melbourne's traffic congestion is arguably the greatest brake on prosperity, because of the distorted structure of the state's economic growth. As much as 40 per cent of Victoria's economic output is generated in the CBD and inner suburbs of the capital city. Melbourne now accounts for Victoria's entire economic growth (a robust 4 per cent in 2015-16); the rest of the state contributes, on net, nothing.

The Victorian government has been expanding investment in housing and infrastructure, and is releasing land for new suburbs. That will take pressure off the market by increasing supply. Many, including The Age, have argued that removing federal tax concessions on property speculation would also improve housing affordability.

The state opposition's interim report, which has involved external experts and community consultation, makes a number of suggestions we believe merit serious consideration. These include tax incentives to attract business and investment to the regions, new job zones and incentives to individuals and families to shift from Melbourne.

A related issue, one causing widespread concern, is the lack of affordable housing, the focus of another report released on Monday.

The next census will likely show that home ownership has fallen markedly, according to the Victorian Planning Authority, from 75 per cent in recent decades to as low as 65 per cent, the lowest level since mid last century.

This means Victoria should adopt stronger tenant protections along the lines of those common in Europe, where the proportion of owner-occupied households is often below 50 per cent.

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