

Australia housing crisis threatens growth

By SHAR ADAMS
Epoch Times Australia Staff

The crisis in housing affordability in Australia is putting the Australian economy in an increasingly vulnerable position, says the spokesperson for a coalition of housing and community groups.

Professor Julian Disney, Chairman of the National Affordable Housing Summit (NAHS) says house prices are driving people into too much debt and he believes that if there is a downturn the tide "will turn very quickly".

"When either the world economy turns down, or our economy turns down for some other reason, the speed of its impact and the depth of its impact will be so much greater because we are so indebted," he told *The Epoch Times*.

Professor Disney said Australian house prices are particularly high, with both *The Economist* and the OECD relegating Australia to "the top few in terms of being overpriced and vulnerable".

Australia is geographically isolated and, unlike America, which has many other countries dependent on it, no-one is dependent on Australia, he said.

"We are in a false paradise where people think we are doing well because we have low unemployment, but in fact...we are about the most highly borrowed country," he said. "We have a huge current account deficit. Once the tide turns against us it will turn very quickly because we are so vulnerable."

The NAHS, which includes the Housing Industry Association and the Australian Council of Social Services, says house prices relative to household income have almost doubled in the last 15 years and average monthly payments on new loans have risen by 50 per cent.

The Summit has called on both the Government and the Opposition to address the "creeping crisis in housing affordability" as part of their platforms in the coming Federal election.

Federal Treasurer Peter Costello has proposed an audit of public land in an effort to address the problem.

Mr Costello says the increase in housing prices is due to a rise in demand as a result of low interest rates and high employment.

"We need more land released. It is not really a housing affordability problem; it is a land affordability problem in



HOUSING CRISIS: Experts say Australia's housing affordability crisis is an unhealthy sign for the economy and that the country is vulnerable

Australia," he told Sky News.

Opposition leader Kevin Rudd said the housing affordability crisis is complex and has called a National Summit on Housing Affordability in Canberra on July 26th in order to address the issue.

"If you try and look at what's making housing less affordable

for people today, there's a whole lot of factors at work, it's not just a debate about land supply," he said on the ABC television network.

Professor Disney said the concentration of population in the cities was a strong factor in Australia's uniquely high housing prices.

"The United Nations describes medium-sized cities as half a million to a million people," he explained. "We have no-one in cities of that size, whereas if you look at cities in most European countries, United States or Canada they will have 20 to 40 per cent of their populations in that size."

This puts pressure on available stock, he said, and house prices rise accordingly.

Professor Disney said Australia's proximity to Asia was also setting it apart from other OECD countries, with investment in residential property from Asia increasing rapidly in Australia in the last few years.

"There are a lot of Asians buying, particularly from Hong Kong, and that has been driving up house prices," he said.

Democrats Senator Andrew Bartlett, who has repeatedly raised concerns in the Senate about housing affordability, says there is a strange dichotomy in attitude to house prices in the Australian community.

"Any other part of people's lives where costs go up, whether it be food, fuel, clothing, there are real concerns," he told *The Epoch Times*, "but when housing goes up people think: 'Great! That is fantastic!'"

Senator Bartlett said the goal of owning one's own home was now unattainable for many and renting "was also becoming an ordeal".

"Housing affordability is so bad, even Peter Costello is now having to give the impression that he might do something about it," Senator Bartlett said.

Russian military illegally 'press-ganging' conscripts

Continued from front

years to 18 months as part of a drive to modernise the armed forces.

That meant the military – which was already struggling to fill the ranks because of high levels of draft-dodging – had to bring in even more recruits to maintain numbers.

Campaigners also allege corrupt draft board officers are using the recruitment drive as an excuse to extort money from conscripts' families in return for letting them go free.

Brazen

"They have started to behave more harshly ... (and) started seizing people more brazenly, on the streets," said Ella Polyakova, chair of the Soldiers' Mothers Committee in St Petersburg, Russia's second city.

Igor Kostyichin, deputy head of the defence ministry's press service, said there were stringent procedures in place to make sure no one who should not be in the army is called up.

In the event someone is illegally drafted, "every concrete case should be examined by

prosecutors", Kostyichin said.

Only about nine per cent of those eligible for conscription answer their call-up.

The horrendous case last year of Andrei Sychev has deterred many. The 19-year-old recruit had his legs and genitals amputated after being abused in his unit.

So far this year, the Soldiers' Mothers in St Petersburg say they have registered 26 cases of people being unfairly drafted. Many were detained by patrols of police and draft board officers who comb the city's metro stations.

Mikhail Zhanov, 24, was drafted despite having an official exemption on health grounds, his father, Anatoly, told Reuters.

"They said to him: 'You are dodging service.' Right there and then they took him away, detained him and sent him off," Anatoly Zhanov said.

A court suspended the decision to draft Mikhail but by then he was already in a unit near the Arctic Circle, his father said. "My wife is on the verge of hysterics and is only holding on in the hope she will see her son," he said.

Florida raises problematic artificial reefs

MIAMI, (Reuters) – When people began dumping used tyres in the ocean 40 years ago to create artificial reefs, they gave little thought to the potential environmental cost, or to how difficult it would be to pick them up.

"It was one of those ideas that seemed good at the time," said Jack Sobel, a senior scientist at The Ocean Conservancy, a Washington-based environmental group. "Now I think it's pretty clear it was a bad idea."

Now, local authorities are going after some 700,000 tyres dumped off the coast of Fort Lauderdale, up the coast from Miami. A team of 40 divers from the US Army, Navy and Coast Guard spent three weeks in June pulling up 10,373 sand-filled and slime-coated tyres from the ocean floor.

Using the tire project as a salvage exercise, the military divers learned they could strap together 50 to 70 tyres with wire cables and lift them to the surface with inflatable air bags, where a crane hauled the bundle from the water.

Millions of tyres, usually bundled with nylon straps or steel cables, were cast into the sea off Australia, New Zealand, Malaysia, and off the US states of New York, New Jersey, North Carolina, California, and Florida.

The idea was to provide habitat for fish while disposing of trash from the land, but in the rugged and corrosive environment of the ocean, nylon straps wore out and snapped, cables

rusted, and tyres broke free.

Thousands have been tossed up on US shores, particularly during hurricanes. Tyres dotted the sand as far as the eye could see along North Carolina's Topsail Island after Hurricane Fran crashed the coast in 1996.

The tyres dumped off Fort Lauderdale posed a particular threat. When they broke free they migrated shoreward and ran into a living reef tract, climbing up its slope and killing everything in their path.

"If we can keep the project going we think they can get all the tyres and then the reef can recover," said Ken Banks of Broward County's Environmental Protection Department. "But the reef recovery will probably take decades."

Officials said the Fort Lauderdale project drew together a host of government and military agencies to salvage the tyres cheaply.

The tyres were trucked to a disposal plant in Georgia, where they were chipped into fuel for a waste recycling plant.

US states no longer permit tyre reefs. But Sobel said the entire concept of artificial reefs needs to be re-examined.

They have been created around the globe using all manner of material, from tyres and concrete sewer pipes to discarded airplanes and ships. One of the largest, the rusting 880-foot (270-metre) US aircraft carrier *Oriskany*, was sent to the bottom of the Gulf of Mexico last year.



ARTIFICIAL REEF: A diver swims between coral-encrusted guns on the wreck of the Spiegel Grove in Key Largo, Florida. Aircraft carriers, sunk ships and millions of used tyres are among items dumped into oceans off Australia, New Zealand, Malaysia and the US several decades ago to create artificial reefs

Controversy over Polish priest's attack on President

WARSAW (Reuters) – A powerful Roman Catholic priest who helped Poland's ruling Kaczynski twins into power was at the centre of a controversy on Monday after reports circulated that he accused one of them of lying over plans to tighten abortion laws.

The mainstream weekly *Wprost* released tapes that it said depicted Father Tadeusz Rydzek telling students at his Catholic college in April he was outraged by President Lech Kaczynski and his wife Maria for refusing to endorse parliament's plans to tighten already strict abortion laws.

"I spoke to him before the [2005] elections and he lied to me," Rydzek is heard saying on the tapes.

Wprost said the authenticity of the tapes was beyond doubt. Officials of the ruling Law and Justice party said they would wait for the results of an investigation by prosecutors.

Rydzek continues on the recording to justify earlier criticism of Maria Kaczynska, saying her support for limited abortion rights in the overwhelmingly Catholic country amounted to backing euthanasia.

"The first lady with this eu-

thanasia ... You witch, I'll let you have it. If you want to kill people, do it to yourself first," he says.

Rydzek himself stopped short of denying making the remarks although he called them a "provocation".

"I had no intention to insult the president and his wife," he said on his influential radio station, Radio Maryja [Mary].

"This has been blown out of proportion ... but the truth needs to be told."

The uproar is a major embarrassment to the Kaczynskis since Rydzek's listeners – mostly poor, uneducated Poles in villages and small towns – are their most loyal powerbase.

Like the Kaczynskis, Radio Maryja often rails against the European Union and appeals to nationalist sentiment.

Analysts say that the backing of Rydzek's radio station, listened to by millions of faithful Poles, was key to the Kaczynskis' election success in 2005. Rydzek has openly called on his listeners to vote for the brothers and was later the main supporter of the controversial coalition with the nationalist League of Polish Families and populist Self-Defence.



CONTROVERSIAL ATTACK: Priest Tadeusz Rydzek, head of Radio Maryja

Finland's nuclear plans lure political visitors

OLKILUOTO, Finland, (Reuters) – The road to this island on Finland's western coast winds through pristine fields and forests, an idyllic place for a cottage by the shore – if you ignore the heavy-duty power lines overhead.

The nuclear plant they lead to is at the frontier of European efforts to fight climate change while also meeting demand from Finland's energy-hungry industry.

Alongside two existing reactors, industry-controlled utility Teollisuuden Voima (TVO) is building a third in a bid to meet European Union carbon dioxide reduction targets and feed a growing economy – a rare new nuclear project in largely nuclear-sceptical Western Europe.

In a little more than a decade there could be two to three new reactors, despite Environment Minister Paula Lehtomaki joining environmental groups in expressing alarm at what she sees as a growing acceptance of nuclear power as an environmentally friendly alternative to other forms of energy.

"We have become somewhat of a tourist attraction. High level (foreign) politicians

are meeting me weekly, keen to hear how we are doing," said Jukka Laaksonen, head of Finland's nuclear watchdog STUK, overseeing the construction in Olkiluoto.

After an almost two-decade moratorium on building new reactors in much of Western Europe following the 1986 Chernobyl disaster, political debate on reviving nuclear energy has renewed in countries such as Britain.

German industry has been hoping to reopen discussion about nuclear power but Chancellor Angela Merkel is bound to a deal to phase out nuclear energy in the country by the year 2020.

In Finland, half a dozen municipalities have responded to the most recent plans to build more new reactors saying they would be keen to host one in the hunt for jobs and tax revenue.

Among the newer EU members there are nuclear projects ongoing in Bulgaria and Romania, while Russia and Ukraine are between them building nine new plants.

Difficult compromise
Finland is already a leading



DEMONSTRATION ON HIGH: A Greenpeace activist demonstrates on a 328-foot high crane at the construction site of Finland's fifth nuclear reactor earlier this year

user of renewable energy, with almost a quarter of its output coming from sources like wind and some hydro and wood power.

Olkiluoto's two existing 860 MW units and two more 488 MW blocs at utility Fortum's Loviisa plant make up about a quarter of electricity used in Finland.

But with no domestic source of oil and a reliance on Russian natural gas, its options are limited for feeding demand from industry, plus 5.3 million people needing electricity and heating during the bitterly cold winters.

According to Energy Minister Mauri Pekkarinen, it is partly the EU's new goal to cut

carbon dioxide emissions by 20 per cent from 1990 levels by 2020 that is pushing Finland to consider more nuclear power in addition to the Olkiluoto project.

"Finland would have to stop using coal and oil in electricity and heat production by 2020," Pekkarinen told Reuters. "I do not believe this shortage could be taken care of with just bio-based energy."

Memories also still linger in the Nordic region of when Chernobyl spewed radiation over much of Europe in the world's worst nuclear accident. But opinion in this environmentally conscious country has been shifting.

Just five years ago, thousands of people marched in Helsinki to mark the anniversary of the disaster and protest against plans to build a new nuclear plant in Finland.

A poll in May by agency Taloustutkimus for weekly magazine *Suomen Kivalehti* said 57 per cent of Finns favoured more new nuclear power, while 35 per cent think it is a bad idea. A year ago the corresponding numbers were 53 in favour and 41 against nuclear.