

28 June 2021

Media release

Nothing to fear from a smaller, older population

Sustainable Population Australia (SPA) believes there is nothing to fear from the downward projection of population size in the Inter-Generational Report (IGR) from 40 million to 38.8 million by 2061.

National President Jenny Goldie says what is to be feared are the environmental, social and economic cost of adding another 13 million people to the population.

“The IGR fails to take into account the costs of infrastructure which amounts to at least \$100,000 in public money for each new person, be they immigrant or born here,” says Ms Goldie.

“The IGR fails to take into account the environmental costs of urban encroachment on natural bushland, threatening iconic species such as the koala, and adding to carbon emissions,” she says. “It fails to address the social costs of crowding, housing unaffordability and longer waiting times that generally accompany population growth.

“Having more people generally means a bigger GDP but not necessarily GDP per capita, which is a better measure of living standards. In fact, GDP is well past its use-by date and, before the end of the IGR time frame, will have ceased to be used. In looking so far into the future, we should be using a range of the newer measures of living standards and well-being.”

Ms Goldie says neither should we fear an ageing population.

“The projection that there will only be 2.7 workers per person aged over 65 in 40 years’ time will probably be wrong,” says Ms Goldie. “In fact, as the working age population shrinks and the labour market tightens, fewer people will be unemployed, and employers will improve wages and conditions to attract job-seekers.

“This will have the effect of drawing more people into the workforce who were not working, or keeping people in work who would otherwise have retired. In other words, the participation rate will improve.”

Ms Goldie says rising health expenditure, while a problem in narrow fiscal terms, is actually a good thing, by keeping people happier and healthier for longer, and by reducing human suffering.