



## Sustainable Population Australia

# Rethinking Big Australia – the impacts of COVID-19

*Sustainable Population Australia (SPA) COVID statement 2021*

On New Year's Eve 2020, Australians were ready to say goodbye to a challenging and difficult 2020 while anticipating a freer and more joyous 2021. Our last mild, rainy summer on the east coast offered an omen of hope and reprieve following the bushfire hell of summer 2019-2020. Furthermore, the sacrifices to personal freedom endured by the whole nation – and in particular the seeming endless Melbourne lockdowns of 2020 – appeared to be working and COVID-19 was on the verge of elimination. We felt on track for moving onwards and upwards.

As we enter the second half of 2021, this initial optimism appears increasingly misplaced. At time of writing, our two most populous Eastern States persist through a déjà vu of endless lockdowns while NSW continues to record high daily COVID cases. In a short space of time, we have gone from conquering a virus to a new reality of living with COVID for the long haul.

Nevertheless, the federal government's '[national plan](#)'<sup>1</sup> to reopen Australia, after a majority of us are vaccinated, is reflective of a collective enthusiasm to return to a new normal as soon as possible. For all of us, a return to former freedoms without the fear of battenning down the hatches – again – is something that we wish to see.

However, the enthusiasm espoused by the federal government to return back to normal is driven by a strong desire by many of our politicians to return to high GDP and population growth. A read through this year's [Intergenerational Report](#)<sup>2</sup> or the recent Senate committee [report on temporary migration](#)<sup>3</sup> reveals that they have all pushed for a return to previous levels of temporary and economic migration numbers as soon as it is feasible.

To provide context, according to the [Australian Bureau of Statistics](#)<sup>4</sup>, Australia's population grew by 0.5%, or 136,000 in the year ending 31<sup>st</sup> December 2020. Natural increase accounted for 97.6% of this growth, and immigration accounted for 2.4%. Compare this to 2019, a 'normal' year for the past decade, where Australia's population grew by 1.5%, or 380,000 people, where net overseas

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<sup>1</sup> <https://www.pm.gov.au/sites/default/files/media/national-plan-to-transition-australias-national-covid-19-response-30-july-2021.pdf>

<sup>2</sup> <https://treasury.gov.au/publication/2021-intergenerational-report>

<sup>3</sup> [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Temporary\\_Migration/TemporaryMigration/Report](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Temporary_Migration/TemporaryMigration/Report)

<sup>4</sup> <https://www.abs.gov.au/statistics/people/population>

immigration accounted for more than 60% of this growth. According to many in the business and political communities with narrow economic perspectives, this downturn in population growth is bad news. The attitude of this ‘growth lobby’<sup>5</sup> is to double down and make up for lost time when Australia reopens.

In contrast, a wide range of commentators, including [Reserve Bank head Philip Lowe](#)<sup>6</sup> and [Professor Ross Garnaut](#),<sup>7</sup> have drawn attention to the contribution that low immigration has made in lowering unemployment and encouraging employers who previously relied on migrant workers, to take on Australians. For example, despite pleas of critical shortages of farm workers, crops have been picked and packed. These commentators have highlighted how the wage stagnation that Australia has experienced since the Global Financial Crisis has been associated with our extraordinarily high immigration levels. Garnaut says that immigration has lowered the incomes and employment prospects of low-income Australians in particular, and calls for a halving of Australia’s pre-COVID immigration intake when borders are finally re-opened.

Sustainable Population Australia believes that now is the perfect time to rethink the Big Australia vision – promoted by the growth lobby – that is at the root of Australia’s unprecedented high immigration experiment. With a federal election around the corner and vaccination rates finally rising toward a future reopening of our states, it is time to decide whether we want the ‘new normal’ to include a return to high population growth and whether we are still happy for big business interests to be calling the shots on Australia’s population future. We believe it is time for ordinary Australians to send a message to their elected representatives that they emphatically want a stable and sustainable population future, rather than perpetual growth.

The impacts of COVID-19 and international border closures on our society and economy bring into serious question the growth lobby’s touting of Big Australia as the desirable future for our country. The evidence and lived experience from COVID-19 overturns these outdated Big Australia shibboleths:

- Many in the [business community](#),<sup>8</sup> as well as [some demographers](#),<sup>9</sup> have stressed that high immigration and high population growth are essential for prosperity and wealth. In reality, the opposite trends have been observed since at least the late 2000s, when the Howard government’s high population policy began in full earnest. For example, real GDP and income per capita have [stagnated over the past decade](#).<sup>10</sup> There has been an [increasing socio-economic divide](#),<sup>11</sup> an [infrastructure deficit](#)<sup>12</sup> that is failing to keep up with demand, and [skyrocketing house prices](#)<sup>13</sup> that are shutting entire generations out of the housing

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<sup>5</sup> See: Betts, K., & Gilding, M. (2006). The growth lobby and Australia’s immigration policy. *People and Place*, 14(4), 40. [https://tapri.org.au/wp-content/uploads/2016/02/v14n4\\_6betts&gilding.pdf](https://tapri.org.au/wp-content/uploads/2016/02/v14n4_6betts&gilding.pdf)

<sup>6</sup> <https://www.rba.gov.au/speeches/2021/sp-gov-2021-07-08.html>

<sup>7</sup> <https://www.abc.net.au/news/2021-03-07/this-graph-explains-why-you-have-been-feeling-poorer/13221796>

<sup>8</sup> <https://www.sbs.com.au/language/english/skilled-migration-a-high-priority-for-australia-s-covid-recovery-says-immigration-minister>

<sup>9</sup> <https://www.abc.net.au/news/2021-08-22/act-population-set-to-double-leaving-canberrans-divided/>

<sup>10</sup> <https://www.macrobusiness.com.au/2021/03/ross-garnaut-slash-immigration-to-fix-wages-lift-living-standards/>

<sup>11</sup> <https://newsroom.unsw.edu.au/news/social-affairs/income-and-wealth-inequality-australia-was-rising-covid-19>

<sup>12</sup> <https://population.org.au/discussion-papers/population-growth-and-infrastructure-in-australia-the-catch-up-illusion/>

<sup>13</sup> <https://www.abc.net.au/news/2021-08-02/house-prices-negative-gearing-capital-gains-tax-property-invest/100335326>

market. Since COVID-19 forced border closures, there have been some reversals to some of these trends. For example, Reserve Bank head Philip Lowe noted that wages increased in some sectors after closure of the international border prevented access to global labour markets. Lowe predicted that further increases in labour demand would lead to aggregate wages growth, the longer that borders remained closed. An indicator of such labour market tightening is that between October 2021 (the end of JobKeeper program) and June 2021 – when the Delta variant began to spread in NSW ultimately leading to extended lockdowns in NSW and Victoria – the unemployment rate fell from 6.9% to 4.9%, its lowest level in a decade at that point.<sup>14</sup> The evidence is clear: leaving aside for one moment the many hardships and disruptions caused by the pandemic itself, the steep reduction in immigration has had beneficial results for workers' bargaining power in the labour market and potentially for their real incomes going forward.

- The farming sector, which has typically relied on temporary migrant labour, has had to adjust significantly in a short amount of time. Although there have been significant challenges, most noticeably the fruit picking seasons, it is arguable that the extent of the farm labour shortage 'crisis' has been overblown. An increasing number of Australian-born people are filling farm jobs and, to date, there has been no significant effect on supply of fruits and vegetables. Despite this, the Federal government has opted for a new agricultural visa which seems destined to entrench an impoverished and exploited underclass of temporary immigrant agricultural workers.
- The property and construction sectors have long advocated in favour of Big Australia to encourage a bottomless well of artificially stimulated consumer demand for housing. The industry still maintains that immigration must be restored to prevent a housing slump. However, the evidence during COVID-19 suggests otherwise. For those who still place great import on rising property values, they will be relieved that average house prices have still [climbed significantly](#) since the border closures<sup>15</sup>. This is the result of government stimulus over-reacting to the threat of a housing price slump early in the pandemic, and continuing low interest rates. In regional Australia, however, it is also evidence of a significant exodus of people from capital cities when they discovered they can work from home. Those advocating a return to the old normal of high immigration might like to contemplate its potential added impact on this already red-hot growth in housing prices – hardly a recipe for housing affordability. Policy-makers who pay lip-service to housing affordability should welcome a gradual decline in the ratio of house prices to household incomes. This would occur if our population were allowed to stabilise.
- Prior to the pandemic, the federal government had encouraged a culture of private debt while bemoaning public debt. It perceived population and GDP growth as a way to reduce public debt relative to GDP, while perpetuating a collective anxiety around the perception that an ageing demographic with low population growth would exacerbate federal expenditure. In late 2020, SPA's second discussion paper '[Silver Tsunami or Silver Lining](#)' unpacked the economic myths used by the growth lobby to create an unjustified sense of

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<sup>14</sup> <https://www.abc.net.au/news/2021-09-19/our-closed-economy-experiment-saw-unemployment-drop-rapidly/100471936>

<sup>15</sup> <https://www.abc.net.au/news/2021-09-01/property-housing-corelogic-house-prices-rise/100423896>

panic about a demographically ageing population.<sup>16</sup> The Intergenerational Report continues to pedal these myths as justification for returning to high immigration. However, the general reality experienced by many Australians is that, although the pandemic itself has impacted many for the worse, the closed borders themselves have not adversely affected day to day life. In many cases, the border closures have offered reprieve from a competitive job market as the economy cooled during the pandemic. Furthermore, despite the debt, the government has been able to fund social security payments, such as JobKeeper, without the sky falling in from the federal deficit. The case that we need population growth to balance the fiscal books seems rather outdated, and particularly implausible from a government that is about to grant massive tax cuts to the richest Australians.

- Two factors have mitigated community transmission of COVID-19: lower population densities and relative isolation. Southeastern Australia contains the nation's highest population density with the two most populous states interconnected with an integrated and busy transport network. By contrast, Tasmania, Central and Western Australia have lower overall population densities and are separated from the southeast by extensive geographical barriers. This serves as a cautionary reminder to those whose vision of a return to normal includes populating and developing ever more of our fragile continent. Further densification and interconnection will only leave Australia more vulnerable to future outbreaks.
- In considering population density, this is as much a concern within state borders as it is between them. With some recent exceptions, regional areas of Australia have been significantly less affected by COVID-19 compared to metropolitan areas. Within metropolitan areas, higher density [apartment blocks have been shown to be riskier](#)<sup>17</sup> compared to lower density detached private homes. It is more difficult to isolate when living close to others, particularly in building with shared access ways or other communal areas. Similarly, many apartments lack private green space and may not be designed to accommodate lengthy periods of isolation and self-sufficiency. The importance of population density for the behaviour of emerging infectious diseases is reinforced by the findings of a recent [study](#) which concluded that: "Population density has been found as a potential indicator of infection spread which suggests that in densely populated areas more stringent policies or implementations of distancing may be considered."<sup>18</sup>
- SPA does not claim that there is never a place for urban consolidation. However, there remains a persisting narrative that high density living is a panacea for everything from suburban sprawl to a [solution for energy and environmental issues](#).<sup>19</sup> Urban consolidation has not stopped urban sprawl – our population growth since the mid-90s has been such that both [high and low density development](#)<sup>20</sup> have skyrocketed. Furthermore, apartment living will become less attractive for people living in a future of persisting pandemics. This is one

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<sup>16</sup> <https://population.org.au/discussion-papers/ageing/>

<sup>17</sup> <https://www.abc.net.au/news/2021-07-14/coronavirus-variant-can-spread-easily-in-apartment-blocks/100290838>

<sup>18</sup> Martins-Filho, P. R. (2021). Relationship between population density and COVID-19 incidence and mortality estimates: A county-level analysis. *Journal of Infection and Public Health*, 14(8), 1087. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8253654/>

<sup>19</sup> <https://www.theguardian.com/us-news/2021/aug/22/cities-climate-change-dense-sprawl-yimby-nimby>

<sup>20</sup> <https://www.foreground.com.au/planning-policy/australian-cities-grow-up-but-continue-to-sprawl-out/>

contributing factor to people leaving the capital cities for the regions. In the new normal, it will become even more important for residences to have access to private or common green space with walkable access to nature. Unfortunately, most town planning decisions within the capital cities continue to prioritise profit and growth over liveability.

- A final observation must be made on Australia's [overwhelmed health sector](#),<sup>21</sup> even before the pandemic. It may be the case that WA has been so strict on border control due to the fact that the state's health sector would be unable to cope with a COVID outbreak, [according to the Australian Medical Association \(AMA\)](#).<sup>22</sup> The AMA has also indicated that Australia does [not have the hospital capacity](#) to open at 80 percent vaccination rate.<sup>23</sup> It is clear that states and federal governments have funnelled mass population growth into the country while neglecting to match this growth with hospital investment. We certainly need emergency funding for our health services to catch up with past population growth and keep up with COVID. But a return to high migration in the foreseeable future would risk once again overwhelming our already over-stressed health sector.

In summary, the COVID-19 pandemic, and in particular the virtual cessation of immigration, has acted as a grand experiment on Australian society and economy. It puts in vivid relief how, pre-COVID, high immigration led to stagnant incomes, over-stressed infrastructure and deteriorating ecosystems. The pandemic has motivated new preferences for lower density living and highlighted housing affordability as an ongoing national challenge.

What does this all mean for Australia? It means that we must accept and embrace the fact that our society can never return to 'the old normal'. We need a new vision for a new normal; one that has at its heart ecological sustainability, a fair, post-growth economy and a stable population size as part of that. We should dispense with the stale Big Australia vision of Australia's political and business elites – a vision which, as repeated polling evidence shows, most of the broader community does not share. Big Australia has been nothing more than an ambition for lazy economic growth through perpetual population growth, rather than through productivity and innovation. In contrast, a stable or even slowly declining population will make it easier to manage future pandemics and transition our society to a 'new normal'. With a stable population, it will improve the chances for greater per capita improvements in quality of life rather than mere aggregate growth of GDP. A sustainable population policy is an essential component in managing a host of environmental and economic challenges that Australia will face over the coming decades. These include [food security in the face of climate change](#),<sup>24</sup> [water scarcity](#),<sup>25</sup> diminishing resources and energy supplies, and collapsing natural environments. As SPA recently argued on National Threatened Species Day,<sup>26</sup> slowing and ending population growth are also critical if threatened species are not to be driven to extinction.

As part of the vision for a sustainable future, Sustainable Population Australia (SPA) calls for policies that will lead to the stabilisation, and even gradual reduction, of Australia's population by

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<sup>21</sup> <https://www.theage.com.au/national/victoria/system-overload-why-victoria-s-health-network-is-on-its-knees-20210901-p58nry.html>

<sup>22</sup> <https://www.watoday.com.au/national/western-australia/ama-doctors-say-wa-can-t-cope-with-covid-outbreak-health-minister-dismisses-report-20210228-p576kv.html>

<sup>23</sup> <https://www.ama.com.au/media/dr-omar-khorshid-mandatory-vaccination-across-entire-healthcare-system>

<sup>24</sup> <https://theconversation.com/climate-change-means-australia-may-have-to-abandon-much-of-its-farming>

<sup>25</sup> <https://www.brisbanetimes.com.au/politics/queensland/seq-does-not-have-enough-drinking-water-for-booming-population>

<sup>26</sup> <https://population.org.au/media-releases/human-population-growth-a-threat-to-other-species/>

encouraging low fertility and low migration. We advocate for a sustainable level of immigration at no more than around 50,000 to 80,000 per year, including a generous humanitarian intake. This level can be achieved through reducing temporary, student and permanent economic migration programs while rejecting discrimination of selection on the basis of race, ethnicity or religion. We discourage fiscal policies that provide financial incentives for larger families and believe this funding can be better spent on providing quality childcare, education and health services. We advocate for a global and national approach to population sustainability. A detailed statement of SPA's position and policies on population can be found on our [web site](#).<sup>27</sup>

In addition, Australia needs to play a role in ending global population growth and reducing the extremes of global inequality. During a time of climate emergency, the world's population is increasing by the size of a [new Germany every year](#).<sup>28</sup> COVID-19 has exacerbated the barriers to women and girls accessing family planning, reproductive health services and education. Australia needs to be more generous and proactive in providing foreign aid to communities in need. [Given the majority of viruses are zoonotic](#)<sup>29</sup> and are spread through encroachment and exploitation of the natural environment, ending global population growth will help mitigate the impacts of human exploitation of what remains of the natural world, thereby lessening the risk of future pandemics. Lower population growth can help communities in the Global South to better adapt to climate change, reduce poverty and protect local ecosystems.

We are not suggesting that population sustainability is the only requirement for a sustainable future. Population sustainability is just one part of a holistic approach to how our economies, systems and lifestyles must change to live in balance with the natural world as we enter into the 'decade of consequences' arising from multiple ecosystem and geopolitical crises. For example, wealthier people in more materially privileged nations can no longer afford to continue with their high consuming lifestyles in a world increasingly defined by greater divides between the haves and have nots, within national borders and between countries. The way we relate to animals and the natural world, through dietary choices and land management practices, is critical. We can no longer afford to pursue outdated economic stories of 'jobs and growth' when it is clear that limits to growth is a reality we can no longer put off. It is essential that we transition to steady state, post-growth societies that prioritise community well-being over antiquated conceptions of economic growth. We can no longer be governed by those who prioritise the well-being of big business, property developers and stock market tycoons over the future of the planet.

In other words, it will take more than just vaccines to put us on the road to a new and ecologically sustainable normal.

*SPA produced two earlier statements on COVID-19 at the start of the 2020 pandemic that can be found on our website [here](#) and [here](#).*

*Find out more on how we can rethink a Big Australia [here](#).*

*Sustainable Population Australia is the only Australian environmental charity to directly explore the impact of population growth on a host of environmental and social issues. We rely on memberships, donations and community support in order to continue this very important work. Find out more on how [you can support us here](#).*

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<sup>27</sup> <https://population.org.au/spa-releases-updated-population-position-and-policy-statement/>

<sup>28</sup> <https://www.un.org/en/desa/world-population-projected-reach-98-billion-2050-and-112-billion-2100>

<sup>29</sup> <https://www.unep.org/news-and-stories/statements/preventing-next-pandemic-zoonotic-diseases-and-how-break-chain>